FIVEN

Annual Report 2020

Content

A worldwide leader

Fiven is clearly established as the worldwide leader in the business of silicon carbide grains and powders. At the heart of industry, we pride ourselves in serving many customers, leaders in their own segment, across the world, through long-term, trust-based relationships.

Selling to 49 countries on 5 continents

6 production sites

4 office locations

€99.2 M

Total revenue

1 January - 31 December 2020

€16.7 M

EBITDA Adjusted

1 January - 31 December 2020

Serving

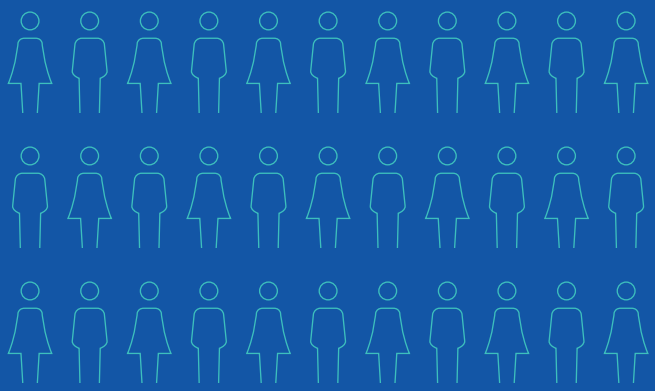
400

Customer groups

519

Employees

Venezuela included



Succeeding in a challenging market environment

2020 was a different year than anyone could ever have expected. The COVID-19 pandemic hit economies hard and created significant uncertainty in the markets. Fiven is proud to have delivered a solid financial performance despite these difficulties and reduced sales volume.

The first quarter of 2020 still looked very promising, and we were mostly unaffected by the emergence of the pandemic. However, we knew we needed to quickly adapt our processes to protect our employees as much as possible and ensure business continuity. Thanks to our newly established IT environments, we advised most office personnel to remain in their home offices. Besides, our buildings' common areas were regularly disinfected, and employees were issued face masks and sanitizers. An intensive information campaign accompanied this on how to behave in this health crisis. Today, we are pleased to report that these measures have worked and there have been no major outbreaks of COVID-19 within our sites.

With lockdowns in many countries around the world, our order books indicated a sharp drop in demand. We had to take all appropriate measures to produce safely and adjust our production and organizational levels to the reduced sales volume. This included calibrated cost-cutting measures and personnel reductions in production and administration. At the same time, we had to ensure that our customers were delivered on-time despite complications in worldwide logistics.

Acting quickly with these measures, combined with a favorable impact from the sales mix, currency and reduced raw material costs, contributed significantly to keeping EBITDA relatively stable despite reduced demand. We have seen that our Specialty Products segment was less affected by the crisis, which underlines our strategic decision to invest in this segment and focus on its expansion. I am as enthusiastic as I have ever been about this business and there is still more innovation ahead.

As we enter 2021, we see a silver lining as vaccination campaigns begin in all major economies and governments put in place stimulus packages. But we also see our customers still facing uncertainty as the second wave of lockdowns occurs across Europe and more infectious virus mutations spread worldwide. It is too early to predict how good 2021 will be from a business perspective, but looking at last year's results, which were only made possible by our strong teams within Fiven, we are confident that we will make it the best possible.

I want to take this opportunity to thank all our partners and investors for their trust and cooperation. We are thrilled to have you on board.

Falk Ast
Chairman of the Board
Fiven ASA

Board and Management

Falk Ast
Chairman of the Board
Fiven ASA

Pål Runde
CRO Fiven Group
Member of the Board of
Fiven ASA

Betty Lunøe Åsheim
CCO Fiven Group
Member of the Board of
Fiven ASA

Helén Borchgrevink
Member of the Board of
Fiven ASA

Fernando Miquel Peraire
COO Fiven Group

Stein Erik Ommundsen
CFO Fiven Group and
General Manager Fiven
ASA

Sabine Radoux
HSE Director Worldwide

Thiago Barros
General Manager Brazil &
Sales Director Americas

Atanas Chapkov
General Manager Norway

Isabelle Bouteille
General Manager Belgium

Mission, Vision and Values

Fiven is guided by its mission, vision, and values. We act on these to establish the governing principles of the management across the Group.

We are living in times of rapid technological shifts. Cars drive autonomously and are powered by electrical engines, our energy is increasingly coming from regenerative resources, industries and homes get smarter, and the climate change is bringing up ever more challenges. At Fiven we work together with our customers on enabling current and future technologies that shape the world around us.

Our Six Key Values

Commitment to Environment, Health and Safety

No matter where we produce, we always apply the same high standards to ensure safe and healthy working conditions with the least impact on our environment.

Reliability of Supply

Finding and qualifying the right supplier can be costly. With Fiven, our customers have a reliable source that has been in the market for years. As the biggest producer of silicon carbide, we can meet large or sudden demands.

Consistency of Quality

We know that the success of our customers' products depends on high-quality resources. Therefore, we take several measures to make sure each shipment fits their specifications.

Mission

We shape industries

Vision

Fiven is committed to delivering innovative and sustainable solutions for the industries of today and tomorrow

Innovation in conjunction with our customers (co-development)

We will develop a tailor-made solution together with our customers. It allows them to optimize their raw material to reach maximum performance.

Respect of confidentiality for each customer

Working closely together makes trust crucial. We want our customers to feel comfortable sharing their information with us. Their information is safe, and we will not disclose it with other businesses outside the Fiven Group.

Local presence combined with worldwide excellence standards

Our customers are producing around the world or would like to expand their business to other countries? We are thereby their side and support their growth.

Corporate Social Responsibility

Introduction by the Chairman

Our goal is to improve the impact we have on our surrounding societies.

Fiven is committed to limit all the adverse effects of its activities on society, the environment and people.

In 2020, we started to actively work on developing our own CSR approach covering good practices in terms of social, health, safety and business ethics. In this context, the Sustainable Development Goals (SDG) created by the UN will serve as a source of inspiration and as a global reference point.

Besides, our principles, Respect, Integrity, Solidarity, Trust and Transparency named as 'Fiven 5' ensure that an extensive Corporate Governance will provide the basis for the realization of the five axes of our Corporate Social Responsibility approach.

Falk Ast

Our Principles

In 2020, Fiven focused on developping a number of shared principles applying for both management and employees that will guide our activities over the years. This principles are called the «Fiven 5» and are:

Respect – We treat everybody with respect independent of their background, culture, and origins.

Integrity – We are honest people and have strong moral principles helping us to stay undivided.

Solidarity – We stand by each other and help one another to reach our common goals. We encourage teamwork, and we bring out the best of each person

Trust – We act with trust in people's honesty and sincerity.

Transparency – We foster a climate of direct, honest, and open communication.

Adherence to these principles is a requirement for belonging to Fiven Group.

Certification

All our Fiven entities are certified ISO 9001 and OSHAS 18001. In addition, our entities in Brazil, Norway and Belgium are certified ISO 14001 : 2015.

In 2019, the company commenced the transition of the certification OSHAS 18001 into ISO 45001:2018, Occupational health and safety management. At the end of 2020, all key production entities of the Group have health and safety certifications:

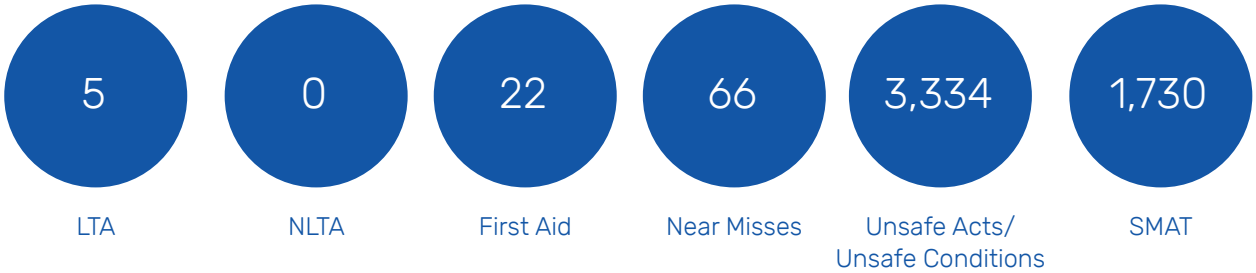
- Fiven Norge AS: ISO 9001, ISO 14001, ISO 45001
- Carbeto de Silicio Sika Brazil: ISO 9001, ISO 14001, ISO 45001
- Materiaux Céramiques SA: ISO 9001, ISO 14001, OSHAS 18001 (as of 31/12/2020), ISO 45001 certification obtained on Q1 2021
- Materiales Ceramicos CA and Curburo del Caroni CA: ISO 9001 and OSHAS 18001

Health and Safety

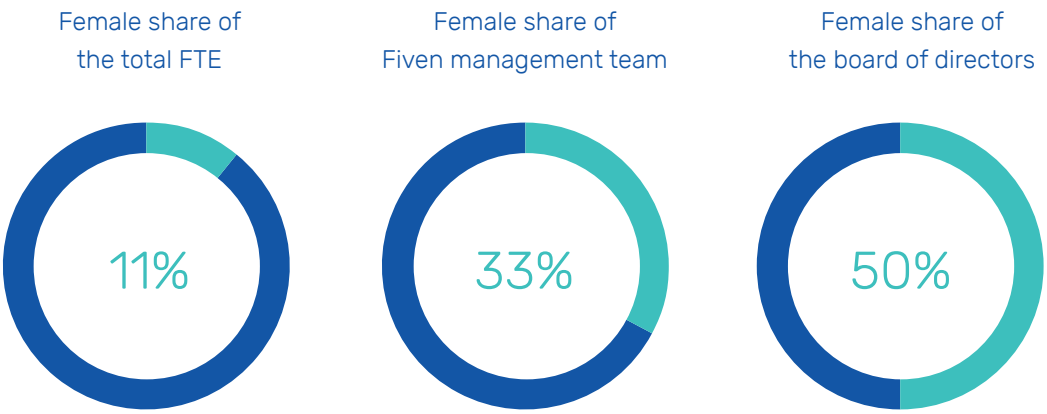
Our goals stated in our HSE policy is ZERO accidents and Safety and Health protection of all our employees. No matter the plant location, all our people are protected following the same Fiven standards.

In 2020, we have finalized the Fiven HSE roadmap. An audit system has been implemented in 2020 composed of two steps: The first step is a self-assessment to be performed yearly by every Fiven entity. The second step is a formal audit performed every second year. Audit teams are composed of the Group HSE Director and one auditor from the HSE/ Operations teams.

Monthly safety KPIs are reported and analyzed at corporate level: lost-time accident (LTA), non-lost time accident (NLTA), first aid, near misses, unsafe act and unsafe conditions. We are also performing "SMAT" (Safety Management Audit Tool) where behaviors at a task are observed and based on the observation a constructive dialogue around safety, best practices, areas of improvement is initiated.



Diversity



Fiven has more than 10 nationalities out of its more than 500 employees.

Environment

As per our HSE policies: 'Our ambition is to turn Fiven into a green SiC company '

To realize this transformation, the only acceptable long term target is to achieve

'Net Zero Emission' [1] by 2050.

[1] Net zero emissions means that all man-made greenhouse gas emissions must be removed from the atmosphere through reduction measures, thus reducing the Earth's net climate balance, after removal via natural and artificial sink / Fiven has the ambitions to work all on their emissions to air not limiting the GHG

3 approaches to achieve this target

Eliminating emissions	Balancing emissions with removals (air capture)	Balancing emissions with emissions avoided through the product

Targets

2020
- Scope: 1 & 2 [2]
- Measure Emissions
- Set up Target & Roadmap
- Implement Action Plan

2025
- Scope: 1 & 2 [2]
- Air: - 9%
- Water: - 10%
- Waste: -15%

2030
- Scope: 1,2,3 [2]
- Air: – 20%
- Water: - 20%
- Waste: - 30%

2050
- NET ZERO EMISSIONS

Actions

- Projects to use biocarbon sources
- Projects to capture emissions in Norway (semi-closing + CO_2 capture technology investigation)
- Circular Economy Concept: Intensify Recycling
- Waste & Water Management Corporate Policy

- Carbon footprint analysis and define action Plan on Sc. 3
- Project to capture emissions in Brazil
- Project to capture CO_2 in Norway
- Roadmap Revision process to ensure LT target

- All emissions from Furnaces captured
- CO_2 emissions captured
- All remaining waste is recycled

[2] Scope 1,2,3 defined by the GHG Protocol: Scope 1 = direct emissions / Scope 2 = indirect emissions (= Energy used) / Scope 3 = All indirect emissions (i.e travel, transportation, lease equipment, ...)

Energy sources of Fiven crude plants

Conclusion

In 2021, Fiven will consolidate its foundations of what have been initiated in 2020 through the definition of our CSR approach. We were inspired by the UN SDG and tackle 9 UN goals through 5 axes (Social, Business Ethics, Local anchorage, Environment, Health and Safety). In 2022, we will aspire to more ambitions and develop suitable programs to tackle additional UN goals, like #9 (Innovation) and #13 (climate actions).

Sabine Radoux
HSE Director

Board of Directors' Report

About Fiven

Fiven ASA was founded on February 5th 2019 and is the parent company in the Fiven Group with registered offices in Oslo, Norway. The Group is the result of an acquisition of the silicon carbide business from Compagnie de Saint-Gobain S.A in May 2019. The Group history can be traced back more than 100 years.

Fiven is a global leader in silicon carbide (SiC), a material used in a variety of industrial applications. SiC is recognized for superior hardness, high thermal conductivity and chemical inertness, making it the preferred material for demanding applications: abrasive, metallurgy, filtration, technical ceramics and other uses. Fiven product brand "SIKA" is recognized as a premium brand with high quality and supply consistency.

The Fiven Group is headquartered in Oslo (Norway). There are manufacturing entities in Arendal and Lillesand (Norway), Hody (Belgium), Barbacena (Brazil) and Puerto Ordaz (Venezuela). Fiven GmbH located in Cologne (Germany) is a management office. There are also sales representation offices in Pittsburgh (USA) and Shanghai (China).

The Market

In 2020, the corona virus pandemic had caused worldwide disruption and economic hardship. As most countries plunged into recession, Fiven experienced substantial demand slowdown and uncertainties linked to the unusual stress in key market economies. However, and despite challenging macro-economic conditions, sales of specialty products grew by 2.9 per cent.

The global market for silicon carbide is diversified, and trends differ between regions and end-markets. In Europe, the specialty market segment was less impacted by the pandemic. Still, the strong downward trend in the construction and the automotive markets strongly affected the demand for metallurgy, refractory, and abrasives products. As a consequence of this, Fiven revenues from standard products were reduced by 24.5 per cent year on year.

In North America, Fiven had a clear upturn in sales of specialty products driven by ongoing co-development projects.

In Latin America, Fiven faced that Silicon Carbide was partly replaced by other raw material in the steel- and construction market due to lower prices, devaluation of the Brazilian Real, and a strong pandemic-caused market decline.

The worldwide competitive landscape is diversified and intense. Fiven has a strong market position in Europe and Latin America, and face robust local competition in North America, Europe, and Latin America, and global competition from Asian silicon carbide producers.

Fiven's Strategy

Fiven's strategy remains in place: to grow profitably based on two pillars.

1. Accelerate growth in specialty products by targeting applications with high growth dynamics and focusing on innovation and co-development with key customers.
2. Selectively serving core markets, improving the cost competitiveness, and through providing a high level of service offerings.

Organic growth will be driven through R&D and should be achieved by the development of new products and applications. Fiven is also looking to grow through M&A where there is a good fit with Fiven and where there are possible synergies.

Fiven will also look to optimize its supply chain further to secure a steady supply of crude by careful risk management and constant search for synergies.

In the coming years, Fiven will increase efforts to meet environmental demands to ensure that the Group remains on good terms with the citizens in the locations in which the company operates.

Financial review

Presentation of accounts

Fiven's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The parent company`s annual financial statements have been prepared in compliance with the Norwegian Accounting Act and accounting principles generally accepted in Norway. For further information, please refer to the financial statements and note disclosures.

Consolidated Review

On 14 May, 2019, the Group acquired 100 per cent of the shares and voting interests in SG Ceramic Materials AS (Norway), Matériaux Céramiques S.A (Belgium), Carbeto de Silicio SIKA Brazil Ltda (Brazil), SG Materiales Ceramicos CA (Venezuela) and Curburo del Caroni CA (Venezuela). The net final transaction price was 80.7 MEUR finally concluded in March 2020 includes working capital and net financial debt adjustments.

The Group`s operations in Venezuela are integrated cost centers under the current business model of the Belgian production facility. The two Venezuelan subsidiaries are controlled by the Group as defined in IFRS 10. Based on a thorough assessment, Fiven has concluded not to consolidate the two subsidiaries, as this has only immaterial impact on the consolidated financial statements.

Operating Profit and profitability

2020 was the first full fiscal year for the Fiven Group.

The total consolidated revenues and other income for the 12-month period reached 99.7 MEUR. The revenues from customers split by customer location show that 50 per cent came from Europe, 17 per cent from North America, 25 per cent from South America and the remaining 8 per cent from Asia. The Standard products (Abrasives, Refractory and Metallurgy) accounted for 63 per cent of the total Group revenues whilst the remaining 37 per cent came from Specialty products.

The Operating Profit for the period ended at 10.5 MEUR. The Net Finance expenses of 11.9 MEUR include realized and unrealized exchange losses of 2.9 MEUR and interest on debt of 8.3 MEUR as main elements. Net Loss of the year was 2.9 MEUR.

Fiven uses Adjusted EBITDA to measure operating performance at the group and segment level. The consolidated Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of the period showed 15.2 MEUR whilst the EBITDA adjusted for IFRS 16 impact, the expensed non-recurring carve out cost and transaction costs from the acquisition showed 16.7 MEUR with a corresponding adjusted EBITDA margin of 16.8 per cent. The results include 0.5 MEUR of costs from restructuring actions executed in 2020.

The outbreak of the COVID 19 Pandemic had a negative impact on the Fiven revenues and profits. The impact on the operating results was mitigated by a better product mix in sales, the local currency depreciation in Norway and Brazil against major trading currencies and cost reduction measures executed. The restructuring program launched in second quarter 2020 has lowered Fiven cost base and will bring full year effects in 2021.

Cash Flow and Liquidity reserve

Total cash and cash equivalents at year-end were 23.0 MEUR, up from 14.8 MEUR for year-end 2019. Restricted cash accounted for 0.3 MEUR of the total to cover for social taxes in Norway.

Cash flow from operating activities was 15.0 MEUR. The cash flow from investing activities amounted to -3.7 MEUR of which -0.7 MEUR came from the adjustment of the final purchasing price with the former owner. The full year cash flow from financing activities was -1.1 MEUR.

Debt and financial position

Fiven's total liabilities at 31.12.2020 was 133.2 MEUR in comparison to 121.1 MEUR year-end 2019. The Group's current liabilities as of 31.12.20 comprised 27 per cent of total liabilities compared to 20 per cent year-end 2019. Included in the non-current liabilities there is a bond financing of 55.6 MEUR (net after amortized costs) and a shareholder loan of 34.7 MEUR (including capitalized interest), both with maturity dates in April 2022.

Total assets and equity

Total assets at year-end amounted to 120.1 MEUR compared to 120.5 MEUR year-end 2019. Equity reported at year-end was -13.1 MEUR compared to -0.6 MEUR at end of 2019. The impact on equity from changes in foreign currency translation reserve was -9.6 MEUR. Equity end of 2020 was hence –10.9 per cent.

Going Concern

Pursuant to Section 3-3a of the Norwegian Accounting Act, the Board of Directors confirms that the financial statements have been prepared on the assumption of going concern. The corona virus adds some uncertainty to future financial performance. The consolidated equity as per 31.12.2020 is negative by 13.1 MEUR, largely caused by a non-cash impact from the cumulative foreign currency translation reserve of 10.9 MEUR. The Fiven ASA equity is negative by 0.4 MEUR as of 31.12.2020.

During 2020, Fiven has strengthened it liquidity position, from 14.8 MEUR year 2019 to 23 MEUR at 31.12.2020. Furthermore,

the maturity dates for the vast majority of Fiven debt fall due only in 2022. As part of the financing of the Group, there is a 32.1 MEUR unsecured subordinated shareholder loan. Moreover, recent quarters demonstrate that there is sufficient headroom to the bond covenant restrictions for maintaining financial flexibility. Any refinancing activity of the bond expiring April 2022 is therefore considered highly likely. Fiven is also taking measures to lower the risk of the virus in line with external recommendations and according to own initiatives. The Board concludes that it is appropriate to use the going concern basis of accounting in the preparation of the financial statements, and that no material uncertainty exists related to the ability to continue as a going concern.

Segment Review

Fiven Norway

Fiven Norway product portfolio is to a large extent dominated by specialty products and was less impacted by the market contraction following the pandemic. Co-development projects in North America, Europe, and Asia succeeded to offset the loss in the automotive market.

Total revenue and other income for 2020 ended at 48.5 MEUR and made up for 48 per cent of the Fiven Group total revenues.

The adjusted EBITDA was EUR 10.6m and the adjusted EBITDA margin reached 21.9 per cent. The drivers for the strong performance were advantageous sales mix, savings on cost of goods sold as well as operating costs, and positive impact of a weaker NOK against major trading currencies. The manning in Fiven Norway at the end of 2020 was 178 full time equivalents (FTEs), a reduction of 31 from year-end 2019.

Fiven Brazil

Despite a clear improvement of demand in Latin America towards the end of the year, 2020 was a challenging year for Fiven Brazil's external revenues due to the US demand downturn for standard products and the Brazilian Real's devaluation. On the other hand, following Fiven Group decisions to optimize the use of internal supply chain, Fiven Brazil increased sales to internal customers softening the impact from lower sales to external customers. The external revenues for 2020 were 35.5 MEUR accounting for 35 per cent of the Fiven Group customer revenues. Including the revenues for the other group segments, total revenues reached 45.8 MEUR.

The adjusted EBITDA 2020 of 6.8 MEUR (14.9 per cent Adjusted EBITDA margin) reflects the impact from the pandemic on the revenues being offset by lower costs of goods sold and favorable currency impact from export activities. The results also include benefits from operating cost measures launched in quarter 2. The number of full-time equivalents (FTE's) at year-end 2019 was 245 and reduced to 220 by year-end 2020.

Fiven Belgium

Fiven Belgium saw a slight recovery in revenues towards the end of the year but remained the segment affected the most by the pandemic within the Fiven Group. Most of the key customers are substantial active players in the automotive market in Europe.

The company partially reduced its activity levels in 2020. Customer demand after the pandemic outbreak has been met properly from available stock or from main plants in Norway and Brazil.

Total revenue and other income in 2020 were 17.9 MEUR and Fiven Belgium accounted for 17 per cent of the Fiven Group's external customer revenues. The adjusted EBITDA reported was EUR -1.0m. Fiven Belgium is benefiting from government support for companies impacted by the COVID 19 pandemic (furlough measures).

Parent Company Review

Fiven ASA is the parent company of the Group. The revenues of the period reached 11.7 MEUR and the Operating Profit amounted to 6.4 MEUR. The Net Loss was 2.7 MEUR.

The Board of Directors proposes to cover the Net Loss of 2.693 MEUR by transfer 2.216 TEUR from Other paid in capital. Ending the year with an uncovered loss of 476 TEUR.

R&D Activities

The R&D activity is a key driver in Fiven's growth strategy. To speed up the new product development, The Fiven Innovation System was developed and implemented in 2020. This new approach to innovation was derived from a hybrid methodology based on Stage-Gate and Agile techniques with the clear goal of reducing the time it takes to develop new products and bring them to market.

In 2020 the co-development of new products with key customers focused on various new high purity SiC powders for the semiconductor industry, in particular powders for single crystal growth. Also, various tailor-made solutions for seal rings and armor applications were developed. An innovation program related to a new family of abrasive products was also given priority, together with development of fine powders of boron carbide.

Also, 2020 was the year that a full-scale pilot installation of our next generation Acheson furnace technology was demonstrated and verified in full scale in Lillesand, Norway. The new

furnace technology includes covered furnaces as well as a gas cleaning facility. The Acheson gas cleaning facility consist of a filter system for dust removal as well as a complete de-sulphurisation unit, enabling significant improvement of the environmental footprint from the Acheson process. In November 2020 it was decided to implement new furnace technology for three additional furnace groups in Lillesand, after the project received financial support from Innovation Norway.

Corporate governance

Fiven ASA does not have a corporate assembly, and therefore the general meeting elects the Board. In 2020 the Board of Directors was extended from 3 to 4 members. The Board of Directors elects its own chair.

The composition of the Board of Directors attends to the interests of the shareholder and to meet the Fiven's need for expertise through executive personnel. In accordance with the Norwegian Public Limited Liability Act (Allmennaksjeloven) and supplementary policies and procedures provided by the shareholder, the Board of Directors exercises the overall governance of Fiven ASA.

In 2020 an Audit Committee was formed. The Audit Committee reports to the Board of Directors following the mandate prepared and approved by the Board of Directors.

The appointment of the Executive Chairman of the Board of Directors facilitates the reporting to the shareholder of Fiven ASA. Two of the three directors are executive personnel, employed by Fiven Norge AS, assuring that the Board of Directors has sufficient operational expertise as well as comprehensive knowledge of the business conducted in the Fiven Group. In 2020 a third director was elected from outside of the Fiven Group.

The General Manager of Fiven ASA, currently also being the Fiven Group CFO, is responsible for the day-to-day management of Fiven ASA. The General Manager governs the operations through policies and procedures, management meetings, Board meetings and through the Audit Committee interaction.

The General Manager of Fiven ASA meets with the extended management team of the Fiven Group. These management meetings are called by the Chairman, and in addition to the executive management team, include also the Chief Operating Officer, production site general managers and HSE Global Director. The purpose of the meetings is to monitor the status of the operations and key performance indicators. The market situation and business development issues are also addressed, as well as health, environment, safety and security indicators and human resource issues. These meetings are a vehicle for scrutiny of the segment units' performance relative to budgets and targets. The market situation, order intake, new opportunities and other significant items at the time are also addressed.

The internal controls over financial reporting are governed by the Group Accounting Policies and a set of procedures and internal controls. The Audit Committee reinforces the focus on internal controls over financial reporting. Furthermore, in 2020 there has been an internal controls project with focus on two key processes. A tool for a more robust group wide IFRS 16 reporting has been implemented, and a consolidation tool project has been launched for full implementation in 2021 to enable a faster and higher quality reporting. There are also plans under execution for further automation of approval flows.

Risk Factors and risk management

Market risk

The largest markets to Fiven are the automotive and the construction markets. Fiven has consciously developed new specialty products and diversified into other markets over several years. The outbreak of the COVID 19 pandemic had a significant impact on Fiven standard product customers (refractory, metallurgical and abrasives). On the other hand, the specialty product market was much more resilient, and revenues were up year over year.

The Asian competition continue to expand their capacity and therefore exert intense pressure on reducing standards products' market prices. In Europe, the market is dynamic, with many players competing in an environment facing subdued demand due to the COVID 19 pandemic. Globally, Fiven will keep facing fierce competition from players in Germany, Russia, China, Spain, and the US. However, Fiven will continue to counter the risk through its customer-centricity, superior delivery performance, and innovation.

Operational risk

The Group's business faces several operational risks associated with the running of the industrial factories.

The manufacturing of silicon carbide is highly depending on raw material such as petroleum coke, electric energy and sand. Through long term contracts on energy, Fiven entities are able to secure a stable supply and price level of power for production. For petroleum coke and sand there is no forward market and Fiven buys from the spot market at prevailing supply and prices. Through multiple sourcing, the Group has what is considered a steady supply also for what concerns petroleum coke and sand.

The Group's high consumption of petroleum coke in the production of silicon carbide has led to exposure against different types of emission such as dust, PAH, B(a)P and SO2 and related costs to satisfy local laws and regulation.

Fiven is also exposed to other risk of liability under e.g. environmental laws and regulations due to the silicon carbide production. The Group has invested significantly into measures to control and reduce emission and is working closely with regulatory agencies to reduce the environmental footprint even further. The pilot installation of the Acheson furnace technology's next generation, installed in the course of 2019 in the Lillesand plant, was fully operational in 2020. The impact on the emissions of dust, PAH and B(a)P is at the expected level with a reduction respectively of 22 per cent, 45 per cent and 62 per cent compared to 2019 level of production. The gas cleaning facility has shown an efficiency rate at 95 per cent to clean the SO2. In 2021, this technology will be deployed to additional furnace groups, meaning that at the end of 2021, 50 per cent of the furnaces' groups of the Lillesand plant will benefit from this new technology. This is in line with the emission reduction roadmap for the plant, the goal is to reduce PAH and SO2 with 80 per cent and PAH with 50 per cent within 2025. Measures taken have been sufficient to meet requirements in the temporary licenses given for years 2020 and 2021 of the general operating license and the temporary license addressing PAH and B(a)P limits.

In June 2020, the Barbacena plant received its operating license valid for the next 10 years. In December 2020, the Lillesand plant received a new permit valid as from January 1st 2021 for 10 years. The Belgian plant in Hody has a license for operation until December 2029.

The continued investment into emission controls and reductions is included in the business plan of the Group. It is expected that these investments will be sufficient to meet emission requirements and not limit production in any material way.

Safety is a key priority to Fiven, and the manufacturing locations have established routines and procedures designed to minimize overall operational risk. KPI's are recorded, analyzed and actioned systematically. Health, environment and safety performance is reviewed monthly on management level and with owners.

Political risk

Since the Group is present in several geographic markets, Fiven is also subject to external risks, such as political risks in e.g. Venezuela and Brazil.

During 2020, approximately 80 per cent. of the Group's crude capacity was produced in South America and any changes in the general economic conditions and business environment in the region could have an adverse effect on the Group's business and results of operations.

In Venezuela the need for authorities to issue permits for the new petroleum coke has been resolved in 2020. However, the US sanctions against Venezuela makes the climate for local crude production and for consumption and refinement in Belgium difficult. As a consequence of the COVID 19 and a general decline of market demand for silicon carbide, Fiven decided to temporarily suspend Venezuelan production and serve Fiven Belgium customers from stock or from internal supplies from Fiven entities in Norway and Brazil.

Financial risk

Fiven is exposed to different risks in the various market it operates. The objective is to minimize the impact from such risks to the financial statement.

Fiven operates in an international industry which exposes the business to a variety of financial risks. Through its global operations, Fiven is impacted by fluctuations in exchange rates of other currencies. Major trading currencies are USD, EUR and BRL. Fiven Group's reporting currency is EUR, and the Group both hedges and actively uses natural hedge to reduce the risk for currency exposure. Similarly, denomination of currency for loans and bonds seeks to reduce the impact of fluctuations in exchange rates.

Customer credit risk is considered low, and credit management ensures that a big portion of the receivables is insured against credit risk. Fiven Norge and Fiven Belgium (Matériaux Céramiques S.A) have a factoring arrangement where there is no recourse.

Liquidity risk is related to difficulty in meeting financial obligations. The main building blocks for liquidity are the shareholder loan and the initial bond listed on the Frankfurt Stock Exchange Open Market Segment. In March 2020 the bond was also listed on NASDAQ Stockholm stock exchange to increase the level of trading and to meet requirements as per the bond agreement. In parallel, the factoring agreement for Fiven Norge and Fiven Belgium constitutes another source for funding. In 2020 Fiven also started to use an export credit facility in Brazil. Other than that, liquidity needs are covered through cash generated from operation.

Corporate Social Responsibility

Business Ethics and anti-corruption

Fiven is aware that company decisions and actions may have a repercussion on society. The general rule of Fiven is that all

parties shall comply with national and all other applicable laws, prevailing industry standards and other requirements to which company subscribes. When laws, industry standards address the same issues, the most favorable provision shall apply to Fiven people. Management is aware of the commitment may not be limited to the requirement of the national law. In 2020, Fiven developed a set of business ethics procedures addressing the domain of corruption prevention, trade association participation, gifts, embargoes and conflict of interests. These procedures were deployed to all Fiven employees. In 2021, Fiven will develop a whistleblowing system for all persons (employees, customers, suppliers, other stakeholders) being able to warn the Group about any potential business ethics breach.

During the year 2020, the Fiven principles, called the "Fiven 5", namely Respect, Integrity, Solidarity, Trust, Transparency have been deployed to every Fiven employees

People

Fiven believes in equal treatment of people in respect of ethnicity, religion, belief, disabilities, sexual orientation, gender identity and gender expression, and the Group recognizes and respects the uniqueness of everybody working in Fiven.

The work environment in Fiven is considered positive. The typical employee of Fiven has several years in service for the company. Production facilities are viewed as corner stones in their local communities.

At year-end the number of full-time equivalents (FTEs) were 426 compared to 493 end of 2019, these figures are not considering the non-consolidated entities in Venezuela. As a consequence of the pandemic Fiven has had to align production capacity in the Group and to reduce the level of manning and operating costs accordingly.

The silicon carbide industry has traditionally been male dominated, and the Fiven management works actively to extend the share of female into various position. The female population accounted for 11.1 per cent of the total FTE at year-end 2020 compared to 11.8 per cent of the total FTE in 2019. In the extended management team, the female population is at 33.3 per cent end of 2020 compared to 28.5 per cent in 2019 and the female share of Fiven ASA Board of Directors comprises 50 per cent at the end of 2020 compared to 33.3 per cent in 2019.

Health, Safety and Environment

In Fiven it is 'safety first,' the company is methodically implementing sophisticated EHS, prevention programs and procedures in order to mitigate inherent risks of the Acheson process as well as risks associated with SiC processing. There is a number of KPI's measured, analyzed and reported and the company has developed the 'Fiven Roadmap' including a number of standards that should be applied in all Fiven plants. No matter where the plants are located, all personnel is following the same Fiven standards. The 'Fiven Roadmap Label' concept has been launched in 2020, entities should achieve a certain level of compliance on the main 15 standards out of 29 included in the Fiven Roadmap. All entities have performed a self-assessment of the Fiven RoadMap and formal audit will be organized in 2021.

In 2020, management particularly focused on ensuring a healthy working environment for all our employees and the strictest hygiene measures against COVID 19 were applied. In total, over the year Fiven had 22 employees (18 in the Brazilian plant and 4 in the Belgium plant) infected by the virus, fortunately with none or minor symptoms. Every time one employee was confirmed positive to COVID 19, Fiven organized a massive testing campaign for all the employees of the entity.

Unfortunately, accident rates in 2020 increased and statistics showed a frequency rate (defined as the sum of lost time accidents and non-lost time accidents divided by the working hours multiplied by 1000000), at 3.66 in 2020, compared to 2.69 in 2019 (full year). There were 4 lost time accidents in Norway and one lost time accident in Brazil. The events in Fiven Norge's facility were linked to hot water projection (hot water in boots), stepping out of a mobile lifting device resulting in a twisted ankle, weather conditions (fall on ice) and to sharp equipment parts. The event in Barbacena plant was linked to a maintenance task performed on specific spare parts of a shaver.

The short-term sickness rate for the period shows 1.9 per cent compared to 2.3 per cent in 2019.

In connection with its HSE policy published in 2019 where it is clearly stated Fiven ambitions to turn the company into a green SiC company, Fiven has set up in 2020 its Environmental roadmap with the long-term objective to be Net Zero emissions by 2050. This includes also the establishment of Mid-terms objectives being part of the plan to reach Fiven's 2050 ambitions. In this context, Fiven has implemented a bi-annual reporting on its emissions (scope 1 & 2). In addition, a quarterly review is performed with the different entities and Fiven management to review the progress of the projects initiated to reduce the impact of the Group's activities on the environment.

Local Anchorage

No matter where Fiven operates, the Group takes into account the environmental and social issues of local communities.

The presence in a community must foster local, inclusive and sustainable value creation. As an illustration in 2020 Fiven's Brazilian entity collaborated to an apprenticeship program for 10 young students between the ages of 14-24 and has supported different local institutions acting for low-incomes families. In this context, Fiven has offered food baskets, donated new toys and sponsored specific programs dedicated to milk. In Norway, Fiven has for many years sponsored the local sports in Lillesand.

Outlook for Fiven Group

The future has become more uncertain and more difficult to predict after the outbreak of the pandemic. Following several months of weak order intake, Fiven has seen an increase in new orders towards the end of 2020. However, the recovery pace remains subject to the impact of the sanitary situation of the pandemic and the economy. The standard products market remains strongly driven by the sudden economic downturns and lockdowns, and the strategy remains to further explore untamed markets in specialty products.

The cost reduction efforts undertaken in 2020 have reduced operating costs and improved Fiven competitiveness. Recent rise in raw material prices and growing inflation in Brazil demonstrate that further focus on cost containment is necessary.

The improvement in working capital and cash has provided a good foundation to meet the prevailing uncertainties about market demand. Looking forward, the improved financial flexibility will also be supportive in Fiven's growth ambitions in the years to come.

The Group will continue to innovate to serve environmentally friendly applications like capturing soot from diesel cars, monitoring climate conditions, and enhancing power electronics' efficiency.

Fiven will proceed with journey to operational excellence. To further support organic growth, Fiven equally utilizes the knowledge and its production technology to explore materials and applications other than silicon carbide and develop new applications for existing markets.

Subsequent events

No events have occurred after the balance sheet date with significant impact on the financial statements for 2020.

The Board of Directors of Fiven ASA - Oslo, 23 March 2021

Falk Ast
Chairman

Betty Lunøe Åsheim
Member of the Board

Pål Einar Runde
Member of the Board

Helén Borchgrevink
Member of the Board

Stein Erik Ommundsen
General Manager

Financial statements

Consolidated statement of income

Amounts in EUR thousand	Note	2020	2019
1 January to 31 December (5 February to 31 December)			
Revenue	5,6	99,208	77,234
Other Income		508	355
Total revenue and other income		**99,715**	**77,589**
Raw materials, energy cost and change in inventory	19	-48,123	-42,978
Employee benefit expenses	8,9,10	-21,543	-16,896
Depreciation and amortization	12,15,16	-4,781	-3,946
Other operating expenses	11	-14,253	-10,896
Restructuring costs		-554	-
Total operating expenses		**-89,254**	**-74,715**
Operating profit (loss)		**10,461**	**2,874**
Finance income	13	97	70
Finance expense	13	-12,009	-6,275
Net finance income (expense)		**-11,912**	**-6,206**
Net income (loss) before income taxes		**-1,451**	**-3,332**
Income tax expense	14	-1,409	-1,641
Net income (loss)		**-2,860**	**-4,973**
Net income (loss) attributable to:			
Shareholders of the parent		-2,860	-4,973
Total net income (loss) attributed to shareholders		**-2,860**	**-4,973**

Consolidated statement of comprehensive income

Amounts in EUR thousand	2020	2019
Items that may be reclassified to net income (loss) attributed to the shareholders of the parent:		
Exchange differences on translation of foreign operations	-9,609	-1,285
Total comprehensive income (loss) attributed to shareholders of the parent	**-12,469**	**-6,258**

Consolidated statement of financial position

Amounts in EUR thousand	Note	31.12.2020	31.12.2019
ASSETS			
Buildings and land	15	8,946	12,398
Plant and equipment	15	14,769	19,333
Right-of-use-assets	15,12	3,606	4,044
Other Intangible assets	16,17	15,254	13,341
Goodwill	16,17	5,390	2,391
Other non-current financial assets	18	161	160
Deferred tax assets	14	641	607
Total non-current assets		**48,766**	**52,273**
Inventories	19	27,660	32,410
Trade receivables	20,23	13,686	16,101
Other receivables	18,23	6,304	3,979
Prepayments	18	620	796
Other current financial assets	23	64	161
Cash and cash equivalents	21	23,016	14,771
Total current assets		**71,351**	**68,218**
TOTAL ASSETS		**120,118**	**120,493**

Amounts in EUR thousand	Note	31.12.2020	31.12.2019
EQUITY AND LIABILITIES			
Share capital	27	101	20
Other paid in capital	27	5,575	5,656
Retained earnings		-7,834	-4,973
Foreign currency translation reserve		-10,893	-1,285
Total equity		**-13,050**	**-581**
Bond loan	22,23	55,598	54,967
Non-current other interest-bearing liabilities	22,23	34,733	33,786
Non-current lease liabilities	12	2,583	2,586
Deferred tax liabilities	14	3,198	3,407
Employee benefit obligations	9	403	413
Provisions	24	1,089	1,233
Total non-current liabilities		**97,604**	**96,392**
Trade payables	23	16,629	11,909
Other payables	23,24	6,528	5,739
Current other interest-bearing liabilities	22	9,785	5,526
Current lease liabilities	12	1,205	1,495
Income tax payable	14	1,416	13
Total current liabilities		**35,563**	**24,682**
Total liabilities		**133,167**	**121,074**
TOTAL EQUITY AND LIABILITIES		**120,118**	**120,493**

The Board of Directors of Fiven ASA - Oslo, 23 March 2021

Falk Ast
Chairman

Betty Lunde Åsheim
Member of the Board

Pål Einar Runde
Member of the Board

Helén Borchgrevink
Member of the Board

Stein Erik Ommundsen
General Manager

Consolidated statement of changes in equity

Amounts in EUR thousand	Share capital	Other paid in capital	Retained Earnings	Foreign currency translation reserve	Total Equity
Opening balance 1 January, 2020	**20**	**5,656**	**-4,973**	**-1,285**	**-581**
Net income (loss)	-	-	-2,860	-	-2,860
Other comprehensive income (loss)	-	-	-	-9,609	-9,609
Total comprehensive income (loss) of the year	**-**	**-**	**-2,860**	**-9,609**	**-12,469**
Contribution of equity, net of transaction costs	81	-81	-	-	-
As of 31 December 2020	**101**	**5,575**	**-7,834**	**-10,893**	**-13,050**
As of 5 February 2019	**3**	**1**	**-**	**-**	**4**
Net income (loss)	-	-	-4,973	-	-4,973
Other comprehensive income (loss)	-	-	-	-1,285	-1,285
Total comprehensive income (loss) of the year	**-**	**-**	**-4,973**	**-1,285**	**-6,258**
Contribution of equity, net of transaction costs	17	5,655	-	-	5,673
Total transactions with owners in their capacity as owners	-	-	-	-	-
As of 31 December 2019	**20**	**5,656**	**-4,973**	**-1,285**	**-581**

Consolidated statement of cash flows

Amounts in EUR thousand	Note	2020	2019
1 January to 31 December (5 February to 31 December)			
Net income (loss) before income taxes		**-1,451**	**-3,332**
Adjustments to reconcile net income (loss) before income tax to net cash flows:			
Corporate income tax paid		-411	-1,358
Depreciation and amortization	15,16	4,781	3,946
Loss on disposal of buildings, plant and equipment	15,16	-	305
Net interest expense	13	11,912	5,677
Change in inventory, trade receivables and trade payables		7,035	4,111
Change in other receivables, prepayments, and other payables		-4,102	-2,334
Other changes		-2,802	-449
Cash flows from operating activities		**14,961**	**6,566**
Payments for buildings, plant and equipment, and intangible assets	15,16	-3,067	-3,004
Payment for acquisition of subsidiary, net of cash aquired	4	-678	-73,116
Cash flows from investing activities		**-3,746**	**-76,120**
Proceeds from issues of bonds	22,23	-	56,500
Proceeds from shareholders loan	22,23	-	32,130
Net proceeds from factoring/export financing	22	5,595	4,735
Repayment of short term loan[1]		-	-10,137
Interest and placement fee paid		-5,412	-4,431
Payment of principal portion of lease liabilities	12,15	-1,301	-996
Proceeds from issues of shares	27	-	5,670
Cash flows from financing activities		**-1,118**	**83,471**
Net increase in cash and cash equivalents		10,097	13,916
Net foreign exchange differences		-1,204	-75
Cash and cash equivalents excluding restricted cash at 1 January		13,845	4
Cash and cash equivalents excluding restricted cash as of 31.12		**22,738**	**13,845**
Change in restriced cash		-649	926
Restricted cash at 1 January		926	-
Restricted cash as of 31.12		**277**	**926**
Total cash and cash equivalents inclucing restriced cash 31.12		**23,016**	**14,771**

[1] Short term loan from Saint-Gobain Group that was settled as part of the 1 May 2019 acquisition.

Notes to the consolidated financial statements

Note 1 General information and basis of preparation

Fiven ASA ("the Company") was incorporated 5 February 2019 and is the parent company in the Fiven Group, with registered offices in Oslo, Norway.

On 14 May 2019 (the "Acquisition date") the Company completed the acquisition (the "Acquisition") of 100 per cent of the shares and voting interests in its operating subsidiaries, ref. Note 4 Composition of the Group (the "Acquired Group") from Saint-Gobain. Following the Acquisition, the Group was formed. The profit and loss from operating subsidiaries were recognized and consolidated from 1 May 2019.

Fiven ASA is a public limited liability company located in Norway with a bond listed at Nasdaq Stockholm. Fiven ASA is owned 100 per cent by Tosca Intermediate Holdings Sàrl, a company controlled by OpenGate Capital, a private equity firm specialized in acquiring and optimizing lower middle market businesses throughout North America and Europe.

Fiven is a global leader in silicon carbide ("SiC"), a material used in a variety of industrial applications. SiC is recognized for superior hardness and thermal conductivity, making it the preferred material for demanding applications: abrasive, metallurgy, filtration, technical ceramics and other uses. The Fiven Group is headquartered in Oslo (Norway). There are manufacturing entities in Arendal and Lillesand (Norway), Hody (Belgium), Barbacena (Brazil) and Puerto Ordaz (Venezuela). Fiven GmbH located in Cologne (Germany) is a management office. There are also sales representation offices in Shanghai (China) and in Pittsburgh (USA).

The consolidated financial statements for Fiven ASA (hereafter Fiven/the Group), including notes, for the year 2020 were approved by the Board of Directors of Fiven ASA on 23 March 2021.

Basis for preparation

The consolidated financial statements are prepared and based on International Financial Reporting Standards as adopted by the EU (IFRS).

The presentation currency of Fiven is Euro. All financial information is presented in Euro thousand, unless otherwise stated. As a result of rounding adjustments, the figures in one or more columns included in the consolidated financial statements, may not add up to the total.

The financial statements have been prepared on a historical cost basis, except for derivative instruments and defined benefit pension plans that are measured at fair value.

The consolidated financial statements have been prepared based on the going concern assumption.

Note 2 Significant accounting policies

Functional currency

The functional currency is determined in each entity in the Group based on the currency within the entity's primary economic environment. Transactions in foreign currency are translated to functional currency using the exchange rate at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated using the closing rate, non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Presentation currency

The Group's presentation currency is Euro. This is also the parent company's functional currency.

The statement of financial position figures of entities with a different functional currency are translated at the exchange rate prevailing at the end of the reporting period for balance sheet items, including goodwill, and the exchange rate at the date of the transaction for profit and loss items. The monthly average exchange rates are used as an approximation of the transaction exchange rate. Exchange differences are recognized in other comprehensive income ("OCI").

Consolidation principles

The Group's consolidated financial statements comprise the parent company and its subsidiaries as of 31 December 2020. An entity has been assessed as being controlled by the Group when the Group is exposed for or have the rights to variable returns from its involvement with the entity, and has the ability to use its power over the entity to affect the amount of the Group's returns.

Thus, the Group controls an entity if and only if the Group has all the following:

- power over the entity;
- exposure, or rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect the amount of the Group's returns.

There is a presumption that if the Group has the majority of the voting rights in an entity, the entity is considered as a subsidiary. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the entity. Including ownership interests, voting rights, ownership structure and relative power, controlled by the Group and shareholder's agreement or other contractual agreements. See note 4 Composition of the group for a more detailed description of the Group's assessments regarding control.

The assessments are done for each individual investment.

The Group re-assesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Business combinations are accounted for by using the acquisition method, see note 4 Acquisitions. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position as either current or non-current.

The Group classifies an asset as current when it:

- Expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- Holds the asset primarily for the purpose of trading
- Expects to realize the asset within twelve months after the reporting period

Or

- The asset is cash or a cash equivalent, unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current, including deferred tax assets.

The Group classifies a liability as current when it:

- Expects to settle the liability in its normal operating cycle
- Holds the liability primarily for the purpose of trading
- Is due to be settled within twelve months after the reporting period

Or

- It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current, including deferred tax liabilities.

Revenue from contracts with customers

Fiven`s main performance obligations are related to sale of goods, where the performance obligation is the delivery of an agreed volume of products within the agreed specification.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price would need to be allocated. The Group has concluded that the current sales contracts does not include any other material promises that are separate performance obligations.

Fiven has both short term and long term contracts. Short term contracts, normally within one month, cover delivery of an agreed volume at market price at the date the order is placed. The long term contracts cover a period of a few months and up to one year, where the prices normally are fixed within a volume range.

The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The Group recognizes revenue from the sale of goods at the point in time when control of the goods is transferred to the customer. Control of an asset refers to the ability to direct the use of and obtain substantially all of the remaining benefits from the asset, and the ability to prevent others from directing the use of and receiving the benefits from the asset. The transfer of control is determined based on the individual Incoterms rules agreed in the customer contract. Revenue is recognized at the point in time where the risk is transferred to the buyer. The main incoterms in use are:

FOB- Free on Board- means that the seller delivers the goods on board the vessel nominated by the buyer at the named port of shipment or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel, and the buyer bears all costs from that moment onwards.

FCA- Free Carrier -means that the seller delivers the goods to the carrier or another person nominated by the buyer at the seller's premises or another named place. The risk passes to the buyer at that point.

CPT- Carriage Paid To- means that the seller delivers the goods to the carrier or another person nominated by the seller at an agreed place and that the seller must contract for and pay the costs of carriage necessary to bring the goods to the named place of destination. The risk passes to the buyer when the goods have been delivered to the named place.

CIF – Cost, Insurance and Freight means that the seller delivers the goods on board the vessel or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel. The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination. The seller also contracts for insurance cover against the buyer's risk of loss of or damage to the goods during the carriage.

DDP- Delivered Duty Paid-means that the seller delivers the goods when the goods are placed at the disposal of the buyer, cleared for import on the arriving means of transport ready for unloading at the named place of destination. The seller bears all the costs and risks involved in bringing the goods to the place of destination and has an obligation to clear the goods for all custom duties.

Fiven in certain instances provides retrospective volume discounts (or bonuses) once the quantity of products purchased during a period exceeds a threshold specified in the contract.

When the consideration in a contract includes a variable amount, such as retrospective discounts and bonuses, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The retrospective bonuses and discounts are estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur, when the associated uncertainty with the variable consideration is subsequently resolved. Constrained amounts are set off against amounts payable by the customer.

To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than a single-volume threshold. The Group recognizes refund liabilities for the expected volume rebates.

The Group sometimes receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for the particular good or service will be one year or less.

The Group has chosen to apply the optional practical expedient

for costs to obtain a contract which allows the Group to immediately expense such costs when the related revenue is expected to be recognized within one year. When revenues will be recognized over several reporting periods the Group recognizes incremental costs of obtaining a contract with a customer as an asset, provided that the costs are expected to be recovered throughout the contract. The costs are amortized on a systematic basis that is consistent with the transfer of the related goods or services to the customer and subsequently re-assessed at the end of each reporting period.

Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker("CODM"). At Fiven this is defined as the Chairman, for the purpose of assessing performance and allocating resources. The financial information relating to segments is presented in Note 5.

Borrowing costs

Borrowing costs are recognized in the statement of comprehensive income when they arise. Borrowing costs are capitalized to the extent that they are directly related to the purchase, construction or production of a non-current asset. The interest costs accrued during the construction period until the non-current asset is capitalized. Borrowing costs are capitalized until the date when the non-current asset is ready for its intended use. If the cost price exceeds the non-current asset's fair value, an impairment loss is recognized.

Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities, with the exception of:

- temporary differences linked to goodwill that are not tax deductible
- temporary differences related to investments in subsidiaries, associates or joint ventures when the Group controls when the temporary differences are to be reversed and this is not expected to take place in the foreseeable future.

Deferred tax assets are recognized when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilize the tax asset. The companies recognize previously unrecognized deferred tax assets to the extent it has become probable that the company can utilize the deferred tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the company no longer regards it as probable that it can utilize the deferred tax asset.

Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates applicable to the companies in the Group where temporary differences have arisen.

Deferred tax and deferred tax assets are recognized at their nominal value and classified as non-current asset investments (long-term liabilities) in the balance sheet.

Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

Research and development

Expenses relating to research activities are recognized in the statement of comprehensive income as they incur. Expenses relating to development activities are capitalized to the extent that the product or process is technically and commercially viable and the Group has sufficient resources to complete the development work. Capitalized development is specified in note 8.

Tangible assets

Tangible assets are valued at their cost less accumulated depreciation and impairment losses. When assets are sold or disposed, the carrying amount is derecognized and any gain or loss is recognized in the statement of comprehensive income.

The cost of tangible non-current assets is the purchase price, including taxes/duties and costs directly linked to preparing the asset ready for its intended use. Costs incurred after the asset is in use, such as regular maintenance costs, are recognized in the statement of comprehensive income, while other costs that are expected to provide future financial benefits are capitalized.

Depreciation is calculated using the straight-line method over the useful life.

The depreciation period and method are assessed each year. A residual value is estimated at each year-end, and changes to the estimated residual value are recognized as a change in an estimate.

Assets under construction are classified as non-current assets and recognized at cost until the production or development process is completed. Assets under construction are not depreciated until the asset is taken into use.

Intangible assets

Intangible assets that have been acquired separately are

carried at cost. The costs of intangible assets acquired through an acquisition are recognized at their fair value in the Group's opening balance sheet. Capitalized intangible assets are recognized at cost less any amortization and impairment losses.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized but are expensed as occurred.

The economic life is either definite or indefinite. Intangible assets with a definite economic life are amortized over their economic life and tested for impairment if there are any indications. The amortization method and period are assessed at least once a year. Changes to the amortization method and/or period are accounted for as a change in estimate.

Intangible assets with an indefinite economic life are tested for impairment at least once a year, either individually or as a part of a cash-generating unit. Intangible assets with an indefinite economic life are not amortized. The economic life is assessed annually with regard to whether the assumption of an indefinite economic life can be justified. If it cannot, the change to a definite economic life is made prospectively.

Technologies

Technology purchased, or acquired in a business combination are recognized at fair value at the acquisition date.

In the acquisition from Saint-Gobain 1 May 2019 Fiven acquired four main technologies:

- Metallurgy products technology
- Refractories products technology
- Abrasives products technology
- Customized product technology

The technologies have a definite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the technologies. The expected useful life ranges from 5 to 20 years.

Customer relationships

Customer relationships purchased, or acquired in a business combination are recognized at fair value at the acquisition date.

The customer relations have a definite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the customer relationship.

Trademark

In the acquisition from Saint-Gobain 1 May 2019 Fiven acquired the trademark "Sika". All Fiven products are sold using this brand. The trademark has an indefinite useful life and is not amortized, but is tested annually for impairment.

Patents and licenses

Amounts paid for patents and licenses are capitalized and amortized in a straight line over the expected useful life. Patents acquired in the acquisition from Saint-Gobain are included in the fair value of the acquired technologies.

Software

Expenses linked to the purchase of new computer software are capitalized as an intangible asset provided these expenses do not form part of the hardware acquisition costs. Software is normally depreciated on a straight-line basis over three years.

Costs incurred as a result of maintaining or upholding the future utility of software is expensed unless the changes in the software increase the future economic benefits from the software.

Leases

Identifying a lease

At the inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

Separating components in the lease contract

For contracts that constitute, or contain a lease, the Group separates lease components if it benefits from the use of each underlying asset either on its own or together with other resources that are readily available, and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract. The Group then accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

Recognition of leases and exemptions

At the lease commencement date, the Group recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low- value assets

For these leases, the Group recognizes the lease payments as other operating expenses in the statement of profit or loss when they incur.

Lease liabilities
The lease liability is recognized at the commencement date of the lease. The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.

The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amount expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option, if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Group does not include variable lease payments in the lease liability. Instead, the Group recognizes these variable lease expenses in profit or loss.

The Group presents its lease liabilities as separate line items in the statement of financial position.

Right-of-use assets
The Group measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any re-measurement of lease liabilities. The cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability recognized
- Any lease payments made at or before the commencement date, less any incentives received
- Any initial direct costs incurred by the Group. An estimate of the costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Group applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset.

The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. For description of the measurement of non-controlling interest, see below. Acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received.

The consideration paid in a business combination is measured at fair value at the acquisition date and consist of cash.

When acquiring a business are all financial assets and liabilities assumed for appropriate classification and designation in accordance with contractual terms, economic circumstances and pertinent conditions at the acquisition date. The acquired assets and liabilities are accounted for by using fair value in the opening group balance (unless other measurement principles should be applied in accordance to IFRS 3).

The initial accounting for a business combination can be changed if new information about the fair value at the acquisition date is present. The allocation may be amended within 12 months of the acquisition date.

The measurement principle is done for each business combination separately.

When the business combination is achieved in stages are the previously held equity interest re-measured at its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss.

Goodwill is recognized as the aggregate of the consideration transferred and the amount of any non-controlling interest, and deducted by the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is not depreciated, but is tested at least annually for impairment.

If the fair value of the equity exceeds the acquisition cost in a business combination, the difference is recognized as income immediately on the acquisition date.

Government grants

Government grants are recognized when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. Operating grants are recognized systematically during the grant period. Grants are recognized as other income. Investment grants are capitalized and recognized systematically over the asset's useful life. Investment grants are recognized as a deduction of the asset's carrying amount.

Financial assets

The Group´s financial assets are: derivatives, trade receivables and cash and cash equivalents.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value.

The Group classified its financial assets in two categories:

- Financial assets at amortized cost
- Financial assets (derivatives that do not qualify for hedge accounting) at fair value through profit or loss

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include receivables and other short-term deposits. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

Financial assets at fair value through profit or loss

Currency derivatives used as an economic hedge, but are not designated as hedging instruments for hedge accounting under IFRS 9, are carried at fair value. Changes in fair value are charged to the profit or loss statement.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  a. the Group has transferred substantially all the risks and rewards of the asset, or
  b. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, or as hedging instruments not qualifying for hedge accounting, as appropriate. Derivatives are recognized initially at fair value. Loans, borrowings and payables are recognized at fair value net of directly attributable transaction costs.

Derivatives are financial liabilities when the fair value is negative, they are accounted for similarly as derivatives as assets.

Loans, borrowings and payables

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under

the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

Inventories

Inventories are recognized at the lowest of cost or net selling price. The net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs. The cost is arrived at using the FIFO method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location. In-house produced goods include variable costs and fixed costs that can be allocated based on normal capacity utilization.

Cash and cash equivalents

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months.

Equity

Equity and liabilities

Ordinary shares are classified as equity

Financial instruments are classified as liabilities or equity in accordance with the underlying economic realities.

Interest, dividend, gains and losses relating to a financial instrument classified as a liability will be presented as an expense or income. Amounts distributed to holders of financial instruments that are classified as equity will be recorded directly in equity.

Costs of equity transactions

Transaction costs directly related to an equity transaction are recognized directly in equity after deducting tax expenses.

Other equity

Translation differences

Translation differences arise in connection with exchange-rate differences of consolidated foreign entities.

Exchange-rate differences in monetary amounts (liabilities or receivables) which are in reality a part of a company's net investment in a foreign entity are also included as translation differences.

If a foreign entity is sold, the accumulated translation difference linked to the entity is reversed and recognized in the statement of comprehensive income in the same period as the gain or loss on the sale is recognized.

Employee benefits

Defined contribution plans

Fiven's pension plans are mainly defined contribution plans. These plans comprise arrangements whereby the company makes annual contributions to the employee's pension plan, and where the employee's future pension is determined by the amount of the contributions and the return on the pension plan asset. The Group's contributions to these plans are recognized as an expense when they incur.

Defined benefit plans

Defined benefit plans are pension plans where the group is responsible for paying pensions at a certain level, based on employees' salaries when retiring. The current service cost and net interest income/costs are recognized in profit or loss and is presented in the salary and personnel cost in the income statement

Fiven Norge AS has an unfunded obligation for retired employees at the time of curtailment of a former defined benefit plan. The plan is closed for new pensioners. See note 9.

Provisions

A provision is recognized when the Group has an obligation (legal or self-imposed) as a result of a previous event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is considerable, the provision is calculated by discounting estimated future cash flows using a discount rate before tax that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation.

Restructuring provisions: Restructuring provisions are recognized when the Group has approved a detailed, formal restructuring plan and the restructuring has either started or been publicly announced.

Contingent liabilities and assets

Contingent liabilities are not recognized in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are unlikely to be incurred.

Contingent assets are not recognized in the annual accounts but are disclosed if there is a certain probability that a benefit will be received.

Events after the reporting period

New information on the company's financial position on the end of the reporting period which becomes known after the reporting period is recorded in the annual accounts. Events after the reporting period that do not affect the company's financial position at the end of the reporting period, but will affect the company's financial position in the future, are disclosed if significant.

Note 3 Accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity.

The areas involving significant estimates or judgements are:

- Acquisition of businesses from Saint-Gobain Group

Under IFRS 3 an acquisition of a business inter-alia involves estimation of the fair value of tangible and intangible assets as well as the fair value of liabilities and contingent liabilities.

When estimating the fair value of intangible assets; the trademark SIKA and the fair value of acquired Technologies Fiven has applied generally accepted methodology, mainly the "Relief-from-Royalty method".

The premise of the Relief-from-Royalty Method is that without ownership of the subject intangible asset, the user of that intangible asset would have to 'rent' it in return for the rights to use it. Thus, by acquiring the intangible asset, the user is relieved from these payments.

In applying the Relief-from-Royalty Method Fiven has in particular made judgements in assessing the relevant royalty rate as well as estimating the remaining useful life of the assets.

The initial accounting for the business combinations was preliminary in 2019 and has been finalized in 2020 (ref note 4 Acquisitions).

- Consolidation of subsidiaries

Fiven Accounting policy is to consolidate all subsidiaries that are controlled by Fiven as defined in IFRS 10 Consolidated Financial Statements, in as so far as the effect of non-consolidation would not be material. Fiven has applied judgement when concluding that the effect of not consolidating the Venezuelan subsidiaries is immaterial (ref note 4 Acquisitions).

- Impairment indicators

Fiven has made an assessment to identify any indications to the effect that material tangible or intangible assets with a definite life may be impaired. Such indications have not been identified and therefore a full estimation of recoverable amounts has not been made. The evaluation of external and internal sources and the potential effect involves considerable judgement.

- Impairment testing of goodwill and intangible assets with an indefinite life.

Goodwill and intangible assets with an indefinite useful life are not amortized on a regular basis. These assets are therefore tested at least annually for impairment. The test process involves identifying expected cash flows relating to the assets and discounting the cash flows to arrive at an estimated value. Future cash flows are based on specific assumptions and plans adopted by the company.

The impairment testing process involves considerable judgement and estimation with regard to the specific assumptions and plans made. See note 17 Impairment Assessments.

- Estimation and judgements regarding environmental liabilities

Fiven has operations in Norway, Brazil, Belgium and Venezuela representing potential exposure towards environmental consequences. A provision is recognized when the group has a present obligation and it is probable that an outflow of resources is required to settle the obligation.

Any significant contingent liabilities are disclosed in the notes. Contingent liabilities are liabilities which are not recognized because they are possible obligations that have not yet been confirmed, or they are present obligations where an outflow of resources is not probable.

The process and procedures used in assessing the need for a provision or alternatively information regarding contingent liabilities involves considerable judgements with regard to assessing potential obligations in terms of probability and potential outflow of resources. See note 24 Provisions and note 31 Contingent Liabilities.

- Estimation and judgements regarding contingent liabilities

Contingent liabilities are not recognized in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are unlikely to be incurred

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Note 4 Composition of the group (including acquisition)

The consolidated financial statements include the financial statements of Fiven ASA and entities controlled directly or indirectly by Fiven ASA. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which the group obtains control, and are deconsolidated from the date that control ceases.

Business combinations Business combinations are accounted for using the acquisition method in accordance with IFRS 3. The consideration transferred in a business combination, is measured at fair value, and goodwill is measured as the excess of the sum of consideration transferred, and net identifiable value of transferred assets and liabilities.

There were no acquisitions in the year ending 31 December 2020.

Fiven ASA and the following subsidiaries make up the composition of the group and are included in the consolidated financial statement.

Company	Functional currency	Country of incorporation	31.12.2020 Equity interests	31.12.2019 Equity interests	Owner
Fiven Norge AS	NOK	Norway	100%	100%	Fiven ASA
Carbeto de Silicio SIKA Brasil Ltda	BRL	Brazil	100%	100%	Fiven ASA
Matériaux Céramiques S.A	EUR	Belgium	100%	100%	Fiven ASA
Fiven Gmbh	EUR	Germany	100%	100%	Fiven ASA

The Group`s operations in Venezuela are integrated cost centers under the current business model of the Belgian production facility. The Venezuelan subsidiaries are controlled by the Group as defined in IFRS 10. Based on a thorough assessment Fiven Group has however concluded not to consolidate the two subsidiaries, as this will have no material impact on the financial information being relevant and faithfully represented.

The following subsidiaries are not included in the consolidated financial statement.

Company	Functional currency	Country of incorporation	31.12.2020 Equity interests	31.12.2019 Equity interests	Owner
Materiales Ceramicos CA	USD	Venezuela	100%	100%	Fiven Norge AS
Curburo del Caroni CA	VEF	Venezuela	100%	100%	Materiales Ceramicos CA

Acquisition 2019 Fiven Group

By 31 December 2019, the consideration paid was based on provisional accounts that were not final. The final consideration was increased by TEUR 678. As part of the final purchase price allocation, fair value of property plant and equipment was adjusted with TEUR 4.486. The adjustment is related to assets in Fiven Brazil.

Below follows the final updated overview of purchase price allocation.

Amounts in EUR thousand	Reported-2019	Change	Final
Consideration			
Cash consideration	80,047	678	80,725
Less cash aquired	-6,931	-	-6,931
Contingent consideration	-	-	-
Net consideration	**73,116**	**678**	**73,794**

Amounts in EUR thousand	Fair value	Change	Fair value
Assets and liabilities recognized			
Property plant and equipment	36,515	-4,486	32,029
Intangible asset -trademark	6,795	53	6,848
Intangible asset- technology and customer relationships	6,509	2,869	9,378
Other intangible assets	932	-	932
Deferred tax asset	2,034	-	2,034
Other financial assets	41	-	41
Inventories	39,774	8	39,782
Trade receivables and other receivables	30,088	16	30,105
Current interest-bearing liabilities	-10,422	-	-10,422
Deferred tax liability	-4,942	-782	-5,724
Lease liabilities	-4,549		-4,549
Trade payables and other payables	-29,983	-	-29,983
Provisions	-2,067	-	-2,067
Total	**70,725**	**-2,321**	**68,404**
Goodwill	2,391	2,999	5,390
Total	**73,116**	**678**	**73,794**

Reallocation of excess values increased annual amortization of intangible assets from TEUR 851 to TEUR 1,253. Total amortization for 2020 is adjusted with TEUR 253 to catch up with the increased amortization for 2019 as a result of the updated allocation.

Note 5 Operating segments

Fiven identifies its segments according to the organization and reporting structure as decided and followed up by group management. Operating segments are components of a business that are evaluated regularly by the chief operating decision maker, defined as the Chairman, for the purpose of assessing performance and allocating resources.

Fiven has three reportable segments; Fiven Norway, Fiven Brazil and Fiven Belgium.

Fiven Norway - The two plants in Norway in respectively Lillesand and Arendal are focused on specialty products as well as abrasive applications. Arendal is the oldest still running silicon carbide plant in the world.

Fiven Brazil - The largest silicon carbide plant within the Fiven Group is located in Barbacena, Brazil. Mainly supplying the American continent market, the plant provides solutions for refractory and metallurgical applications.

Fiven Belgium - The processing plant in Hody, Belgium, delivers mainly products for metallurgical and refractory applications. Fiven Belgium's source of crude silicon carbide has traditionally been Fiven entities in Venezuela acting as an extension of the Belgian operations with no other customers than the Belgian entity. After the Covid outbreak 2020, the company has partially reduced its activity levels. Customer demand in 2020 has been met properly from available stock or from main plants in Norway and Brazil with limited production in Venezuela.

Other - Fiven ASA has offices in Oslo, Norway. Together with Fiven GmbH in Cologne, Germany, they are performing headquarter and management activities for the Fiven Group. Fiven also has a sales representation office in Shanghai (China) and in Pittsburgh (USA).

SEGMENT REPORTING FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2020:

Amounts in EUR thousand	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Revenue from contracts with customers	47,333	34,999	16,876	-	99,208
Other income	-	484	15	9	508
Total revenue and other income from external customers	**47,332**	**35,483**	**16,891**	**9**	**99,715**
Revenue from other group segments	1,207	10,303	1,029	-12,539	-
Total revenue and other income	**48,540**	**45,786**	**17,920**	**-12,531**	**99,715**
Operating expenses (excluding depr. and amort.)	-38,266	-38,619	-18,884	11,296	-84,473
EBITDA	**10,274**	**7,167**	**-964**	**-1,234**	**15,242**
Non-recurring & other non-financial items	360	-323	-82	1,524	1,479
EBITDA ADJ.	**10,633**	**6,844**	**-1,046**	**290**	**16,721**

SEGMENT REPORTING FOR THE PERIOD 5 FEBRUARY TO 31 DECEMBER 2019:

Amounts in EUR thousand	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Revenue from contracts with customers	32,264	32,285	12,684	-	77,234
Other income	50	73	226	7	355
Total revenue and other income from external customers	**32,314**	**32,358**	**12,910**	**7**	**77,589**
Revenue from other group segments	1,191	3,631	7,007	-11,829	-
Total revenue and other income	**33,505**	**35,989**	**19,917**	**-11,822**	**77,589**
Operating expenses (excluding depr. and amort.)	-28,159	-32,053	-18,138	7,582	-70,769
EBITDA	**5,346**	**3,936**	**1,779**	**-4,240**	**6,820**
Non-recurring & other non-financial items	316	323	207	5,102	5,948
EBITDA ADJ.	**5,662**	**4,259**	**1,986**	**862**	**12,768**

NON-CURRENT ASSETS IN THE SEGMENTS:

2020 Amounts in EUR thousand	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Tangible assets	16,265	9,542	1,511	3	27,321
Intangible assets	13,952	1,041	262	-	15,254
Goodwill	5,390	-	-	-	5,390
Total non-current assets	**35,607**	**10,583**	**1,773**	**3**	**47,965**

2019 Amounts in EUR thousand	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Tangible assets	17,163	17,317	1,295	-	35,775
Intangible assets	145	430	-	12,766	13,341
Goodwill	-	-	-	2,391	2,391
Total non-current assets	**17,308**	**17,746**	**1,295**	**15,157**	**51,507**

The Alternative Performance Measures (APMs) are further explained in the APM attachment to the annual report.

Operating segment information

Segment performance is evaluated based on EBITDA adjusted (as defined in the APM attachment). Fiven's financing and taxes are managed on a group basis and are not allocated to operating segments. EBITDA adjusted includes positive IFRS 16 impact and excludes non-recurring transaction costs, carve-out costs and other transition costs.

Eliminations comprise mainly of intersegment sales. Transactions between operating segments are conducted on an arm's length basis in a manner similar to transactions with third parties.

The accounting policies used for segment reporting reflect those used for the group. Fiven has several large customers, of which top 10 customers accounted for 56 per cent of revenues in 2020.

Note 6 Revenue

DETAILS OF REVENUE FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2020:

Amounts in EUR thousand	Fiven Norway	Fiven Brazil	Fiven Belgium	Total
Standard products	11,078	34,529	16,876	62,483
Specialized products	36,254	470	-	36,724
Total revenue	**47,332**	**34,999**	**16,876**	**99,208**

DETAILS OF REVENUE FOR THE PERIOD 5 FEBRUARY TO 31 DECEMBER 2019:

Amounts in EUR thousand	Fiven Norway	Fiven Brazil	Fiven Belgium	Total
Standard products	7,477	32,109	12,684	52,271
Specialized products	24,786	176	-	24,962
Total revenue	**32,264**	**32,285**	**12,684**	**77,234**

Sales are recognized in income at the expected value of the consideration after deducting benefits to customers, mainly estimated bonus payments. At 31.12.20 the accrued, unpaid bonus was 123 TEUR compared to 165 TEUR at 31.12.19.

REVENUE FROM CONTRACTS WITH CUSTOMERS BASED ON CUSTOMER LOCATION:

Amounts in EUR thousand	2020	05.02.2019-31.12.2019
Europe	49,604	37,586
Asia	7,937	4,813
North America	16,865	11,665
South America	24,802	23,129
Other	-	40
Total revenue	**99,208**	**77,234**

Note 7 Grants

Amounts in EUR thousand	01.01-31.12.20 Other operating expense	01.01-31.12.20 Deduction of carrying amount fixed assets	05.02-31.12.19 Other operating expense	05.02-31.12.19 Deduction of carrying amount fixed assets
R&D grants from Norwegian Government		122	140	468
CO_2 compensation from the Norwegian Government (note 18)	1,961		868	
Total Government grants	**1,961**	**122**	**1,008**	**468**
SO_2 allowance from Miljøfondet		287		93
Grants from other than Government	**-**	**287**	**-**	**93**
Total grants	**1,961**	**408**	**1,008**	**561**

Innovation Norway grants from the Norwegian Government

115 TEUR funded for developing the next generation Acheson furnace.

Regional Research Fund (part of Research Council of Norway)

Characterization of semi-closed furnace blow effects by online flue gas measurements in a novel emissions treatment system. Funded by 7 TEUR.

CO_2 compensation

The Norwegian government established in 2013 a scheme to compensate for CO_2 costs included in the power price. The CO_2 allowance is set in January of the grant year. For 2020 this is 248.15 NOK/ton compared to 155.31 NOK/ton in 2019. The total grant depends on the production activity level, compared to a preset base level. The current CO_2 compensation scheme will end in 2020. The CO_2 compensation scheme applies for Fiven's Norwegian plants. 1,961 TEUR is recognized as a reduction in cost of goods for the period, compared to 868 TEUR in 2019.

Note 8 Employee benefit expenses

Amounts in EUR thousand	01.01-31.12.20	05.02-31.12.19
Salaries incl. bonuses	16,383	12,411
Social security cost	2,396	2,224
External temporary hires	123	733
Pension cost (Note 9)	1,285	585
Other personnel related cost	1,357	942
Total employee benefit expense	**21,543**	**16,896**
Average full time equivalents	461	523
Full time equivalents 31.12	426	493

DEVELOPMENT EXPENSES

Amounts in EUR thousand	01.01-31.12.20	01.05-31.12.19
Total research and development expenses	1,595	975
Less: Capitalized development excluded from employee benefit expenses	-356	-
Less: Capitalized development excluded from other operating expenses	-358	-
Net expensed research and development expenses	**881**	**975**

Note 9 Employee benefit obligations (pensions)

Amounts in EUR thousand	2020	2019
Defined contribution plans	1,224	519
Defined benefit plan	61	66
Total pension cost	**1,285**	**585**
Pension obligations		
Present value of pension obligation	403	413
Fair value of plan assets	-	-
Net unfunded pension obligations	**403**	**413**

Defined contribution plans

Defined contribution plans are the main pensions plan for Fiven's Norwegian entities, where the contribution to each individual pension plan is 4 per cent of annual salary up to 7.1G and 15 per cent of annual salary between 7.1-12G and 5 per cent between 1G and 7.1G and 8 per cent between 7.1 and 12 G for Fiven Norge AS and Fiven ASA respectively. 1G refers to the Norwegian national insurance scheme's basic amount, which was NOK 101,351 as of 1 May 2020.

In addition, Fiven Norge AS participates in a Norwegian multi-employer early retirement scheme called AFP, where sufficient information to calculate each participant's pension obligation is not available, is accounted for as it is a defined contribution plan in accordance with the Ministry of Finance's conclusion. The participants in the pension plan are jointly responsible for 2/3 of the plan's pension obligation, the government is responsible for the remaining part. The yearly pension premium in 2020 is 2.5 per cent of the employees' salary between 1 and 7.1G, covering this year's pension payments and contribution to a security fund for future pension obligations. The premium for 2021 in percent of salary will be equal to 2020.

The subsidiary in Brazil has a Defined Contribution plan with a contribution from the company. The employee participates in the plan with a percentage that may vary from 2 per cent up to 7 per cent of their salary. The company contributes with 150 per cent of the employee contribution.

The subsidiary in Belgium has a Defined Contribution plan with a contribution from the company and from the employee. The company contribution varies from 1.4 per cent to 4.23 per cent of the monthly salary, the employee contribution is equal to 50 per cent of the company contribution.

Defined benefit plans

Fiven Norge AS has an unfunded benefit plan covering retired employees only. There are no new pensioners entering the plan. The yearly expense (61 TEUR in 2020 and 66 TEUR in 2019) is mainly interest and contractual yearly adjustments of the pensions

Note 10 Management remuneration

The key principals for determination of the Group's remuneration is to encourage a strong, sustainable and performance-based culture. The remuneration policy should also ensure that Fiven has a strong ability to attract, retain and develop qualified people with adequate leadership and professional competencies and skills, in order to support and contribute to profitable growth and creation of shareholder value. Determination of remuneration also takes into account the breadth and complexity of the company's worldwide operations and reflects the company's objections for sustainability and growth.

The company shall seek to offer a remuneration level on market terms satisfying the company's need to recruit and keep highly qualified personnel on executive management level. More specifically, this implies that the total compensation of the executive management consists of a fixed compensation and other remuneration at a level reflecting the principles mentioned above.

Remuneration includes:

1. Fixed compensation - The fixed base salary will be determined based on the following criteria: job level, local conditions in the labor market, performance level, budget and guidelines for annual salary review in line with general salary trends. The fixed compensation shall be reasonable and competitive and represent a significant component in the executive management compensation.

2. Benefits, pension and insurances – The benefits are determined considering market standards and job level and include elements such as mobile phone, laptop and car allowance / company car. The executive management participate in the relevant local pension schemes in their countries of residence in line with established market practices. The executive management is covered by insurance arrangements applicable to Fiven employees in their respective countries of residence.

3. Variable compensation – The executive management participates in an annual bonus scheme linked to achievements of both financial, strategic and operational targets. The financial targets are linked to EBITDA Adj. and cash flow from operations.

4. Loan and guarantees - There are no loans or guarantees to the executive management.

Termination of employment - The employment agreements for the executive management have a 3 to 6-month period of notice from last day of the month in which the written notice is given.

The table below details compensations paid to group management in 2020:

Amounts in EUR thousand	Company Position	Salary	Bonus	Other	Pension cost	Total
Falk Ast	Chairman	270	65	103	-	438
Stein Erik Ommundsen	Chief Financial Officer	175	10	16	7	207
Fernando Miquel Peraire	Chief Operating Officer (from 1.5.2020)	111	0	10	2	122
Betty Lunøe Åsheim	Chief Commercial Officer	130	19	22	10	180
Pål Einar Runde	Chief Research Officer	135	14	29	10	188
Total		**821**	**107**	**180**	**28**	**1 136**

Note 11 Other operating expenses

Amounts in EUR thousand	01.01-31.12.20	05.02-31.12.19
Marketing and salesrelated expenses	769	803
Transport and maintenance	2,627	934
Lease expenses	475	221
IT related expenses	2,558	1,528
Travel, Insurance, meetings and office expenses	1,640	1,111
Consultancy fees and external personnel expenses	2,648	3,134
Audit expenses [1]	407	115
Transactions expenses	1,218	1,972
Other operating expenses	1,911	1,078
Total other operating expenses	**14,253**	**10,895**

In 2019 Transport and maintenance expenses with TEUR 5,076 and Energy and water expenses with TEUR 13,497 was presented as part of the cost of goods and change in inventory.

[1] REMUNERATION OF THE AUDITOR

Amounts in EUR thousand	01.01-31.12.20	01.05-31.12.19
Audit services	311	100
Other assurance services	90	7
Other non-assurance services	6	8
Total total audit expenses	**407**	**115**

PWC is the group auditor of Fiven.

Note 12 Leasing

Fiven Group has lease contracts for various production related equipment, mainly forklifts, mining and quarry equipment, trucks and vehicles. The production related equipment generally has lease terms between 1 and 5 years. The obligations under its leases are secured by the lessor's title to the leased assets. Generally, Fiven Group is restricted from assigning and subleasing the leased assets.

Fiven group has some leases of equipment with leases terms of 12 months or less and leases of office equipment with low value. For these leases Fiven Group applies the "short-term lease" and the "lease of low-value assets recognition exemptions.

Set out below are the carrying amount of right-of-use assets recognized and the amount during the period:

RIGHT-OF-USE ASSETS

Amounts in EUR thousand	Plant and equipment 31.12.2020	Total right of use assets 31.12.2019
Opening balance	4,044	4,540
Additions	1,504	626
Depreciation	-1,261	-1,018
Adjustments	-38	-
Currency translation difference	-643	-104
Closing balance	**3,606**	**4,044**

TOTAL LEASE LIABILITIES

Amounts in EUR thousand	31.12.2020	31.12.2019
Business combinations (note 4)	4,081	4,549
Addition	1,504	626
Accretion of interest	608	71
Lease payments	-1909	-1,067
currency effect	-498	-71
Total lease liabilities	**3,788**	**4,108**

MATURITY ANALYSIS - CONTRACTUAL UNDISCOUNTED CASH FLOWS

Amounts in EUR thousand	31.12.2020	31.12.2019
Within one year	1460	1,694
After one year but not more than five	2,710	4,514
More than five years	72	64
Total lease liabilty	**4,242**	**6,273**

AMOUNTS RECOGNIZED IN THE STATEMENT OF PROFIT OR LOSS

Amounts in EUR thousand	01.01-31.12.2020	05.02-31.12.2019
Depreciation charge of right-of use assets	-1,261	-1,018
Interest expense(included in finance cost)	-608	-71
Expense relating to short term and low-low leases (included in other operating cost)	-475	-221
Total amount recognized in statement of income	**-2,344**	**-1,310**

AMOUNTS RECOGNISED IN THE CASH FLOW STATEMENT

Amounts in EUR thousand	01.01-31.12.2020	05.02-31.12.2019
Payment of principal portion of lease liabilities	-1,301	-996
Payment of interest	-323	-71
Total recognized in the cash flow statement	**-1,909**	**-1,067**

Note 13 Finance income and expenses

Amounts in EUR thousand	01.01-31.12.2020	05.02-31.12.2019
Finance income		
Gain on financial instruments	-	-
Other interest income	78	13
Foreign exchange gains	-	56
Other financial income	19	2
Total finance income	**97**	**70**
Finance expenses		
Interest on debts and borrowings	8,259	5,459
IFRS 16 interest expenses	608	70
Interest expense factoring	248	148
Foreign exchange losses	2,879	369
Other financial expenses	16	230
Total finance expenses	**12,009**	**6,276**
Net Finance income (expenses)	**-11,912**	**-6,206**

Note 14 Taxes

Amounts in EUR thousand	01.01-31.12.2020	05.02-31.12.2019
Tax payable	-2,348	-1,600
Correction of previous years current income taxes	309	-
Withholding tax	-395	-149
Changes in deferred tax	1,025	109
Income tax (expense) benefit	**-1,409**	**-1,641**

The Group's parent company is domiciled in Norway, where the applicable tax rate is 22 per cent. The reconciliation of the expected to the actual income tax expense is based on the applicable tax rate in Norway.

RECONCILIATION OF TAX (EXPENSE) BENEFIT TO NOMINAL STATUTORY TAX RATE

Amounts in EUR thousand	01.01-31.12.2020	05.02-31.12.2019
Net income (loss) before income taxes	**-1,453**	**-3,332**
Tax expense (-) benefit at applicable tax rate	320	733
Effect of different tax rates applied by subsidiaries	-367	-296
Tax effect of permanent differences exempted for tax	-18	89
Tax effect of not tax deductable transaction costs	-	-436
Tax effect of other permanent differences not tax deductible	-42	-87
Change in unrecognized deferred tax assets	-2,127	-1,284
Tax effect of translation differences exempted for tax	911	-213
Correction of previous years current income taxes	309	-
Withholding tax	-395	-149
Income tax expense	**-1,409**	**-1,641**
Effective tax rate	-97%	-49%

DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITY

Amounts in EUR thousand	01.01-31.12.2020	05.02-31.12.2019
Receivable	466	600
Other current liabilities	688	605
Tax losses carried forward	873	266
Other non current / Interest cost subject to limitations	2,626	1,018
Deferred tax assets	**4,654**	**2,489**
Unrecognized deferred tax asset, losses carried forward	-432	-266
Unrecognized deferred tax asset, interest cost subject to limitations	-2,978	-1,018
Deferred tax assets recognized	**1,243**	**1,205**
Netting	-602	-598
Net Deferred tax assets recognized	**641**	**607**
Tangible and intangible fixed assets	3,207	3,470
Inventory	593	535
Deferred tax liabilities	**3,800**	**4,005**
Netting	-602	-598
Net deferred tax liabilities	**3,198**	**3,407**
Net deferred tax (liabilities) / assets	**-2,557**	**-2,800**

CHANGE IN DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Amounts in EUR thousand	2020	2019
Opening balance as of 01.01.2020/05.02.2019	-2,800	-
Business combination, note 4	-782	-2,908
Change in deferred tax in statement of income	1,025	109
Net Deferred tax assets/(liabilities) 31.12	**-2,557**	**-2,800**

THE GROUP HAS TOTAL TAX LOSS CARRY FORWARD OF WHICH EXPIRES AS FOLLOW:

	2020		2019	
Amounts in EUR thousand	Tax base amount	Tax amount	Tax base amount	Tax amount
Unlimited (Brazil)	-	-	-348	-118
Unlimited (Norway)	-1,966	-432	-673	-148
Total tax loss carry forward 31.12	**-1,966**	**-432**	**-1,020**	**-266**

DEFERRED TAX ASSETS RELATED TO INTEREST EXPENSES SUBJECTED TO LIMITATIONS, EXPIRES AS FOLLOW:

	2020		2019	
Amounts in EUR thousand	Tax base amount	Tax amount	Tax base amount	Tax amount
10 years (Norway)	-11,535	-2,538	-4,628	-1,018
Total tax loss carry forward 31.12	**-11,535**	**-2,538**	**-4,628**	**-1,018**

Note 15 Property, plant and equipment

2020 Amounts in EUR thousand	Land	Buildings	Plant and equipment	Right of use assets	Assets under construction [1]	Total
Accumulated cost 01.01.2020	376	12,398	16,425	5,061	4,791	39,051
Business combinations (note 4)	-	-	-4,485	-	-	-4,485
Additions	-	131	573	1,504	1,722	3,930
Transferred from asset under construction	-	291	3,560	-	-3,851	-
Disposals	-	-	-23	-420	-	-444
Transfer within Tangible Assets	-	-3,207	2,903	304	-	-
Exchange differences	-73	-1,456	99	-1,194	-2,646	-5,269
Closing balance 31.12.2020	**303**	**8,107**	**17,001**	**5,256**	**2,116**	**32,783**
Accumulated depreciation 01.01.2020	-	375	1,883	1,018	-	3,276
Depreciation	-	713	1,134	1,261	-	3,108
Disposals	-	-	-20	-382	-	-403
Transfer within Tangible Assets	-	-1,562	1,565	-3	-	-
Exchange differences	-	-62	-214	-244	-	-520
Closing balance 31.12.2020	**-**	**-536**	**4,348**	**1,650**	**-**	**5,462**
Net book value 31.12.2020	**303**	**8,643**	**12,653**	**3,606**	**2,116**	**27,321**

[1] Depreciation starts when the asset is ready for the intended use. Land is not depreciated. Total addition of assets under construction is in 2020 reduced with TEUR 408 related to Grants (note7).

2019 Amounts in EUR thousand	Land	Buildings	Plant and equipment	Right of use assets	Assets under construction [1]	Total
Accumulated cost 05.02.2019		-	-	-	-	-
Business combinations (note 4)	383	12,286	14,549	4,540	4,778	36,536
Additions	-	271	1,018	626	1,665	3,581
Transferred from asset under construction	-	119	1,149	-	-1,268	-
Disposals	-	-8	-24	-	-267	-298
Exchange differences	-7	-271	-268	-105	-117	-768
Closing balance 31.12.2019	**376**	**12,398**	**16,425**	**5,061**	**4,791**	**39,051**
Accumulated depreciation 05.02.2019		-	-	-	-	-
Depreciation		375	1,886	1,018	-	3,279
Disposals		-	-4	-	-	-4
Transfer within PPA		-	-	-	-	-
Exchange differences		-	1	-	-	1
Closing balance 31.12.2019	**-**	**375**	**1,883**	**1,018**	**-**	**3,276**
Net book value 31.12.2019	**376**	**12,022**	**14,542**	**4,044**	**4,791**	**35,775**
Estimated useful life		10-30 Years	5-10 years	1-5 years		
Depreciation plan		Straight-line	Straight-line	Straight-line		

[1] Depreciation starts when the asset is ready for the intended use. Land is not depreciated. Total addition of assets under construction is in 2019 reduced with TEUR 571 related to Grants (note7).

Note 16 Other Intangible assets and goodwill

2020 Amounts in EUR thousand	Goodwill	Trademark	Technology	Customer relationships	Other intangible assets	Total
Accumulated cost 01.01.2020	2,391	6,795	6,058	450	706	16,400
Business combinations (note 4)	2,999	53	25	2,845	-	5,922
Additions	-	-	-	-	774	774
Disposals	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
Exchange differences	-	-	-	-	-136	-136
Closing balance 31.12.2020	**5,390**	**6,848**	**6,083**	**3,295**	**1,344**	**22,960**
Accumulated Amortization 01.01.2020	-	-	497	40	122	659
Amortization	-	-	792	714	164	1670
Disposals	-	-	-	-	1	1
Transfer within PPA	-	-	-	-	-	-
Exchange differences	-	-	-	-	-15	-15
Closing balance 31.12.2020	**-**	**-**	**1,289**	**753**	**272**	**2,316**
Net book value 31.03.2020	**5,390**	**6,848**	**4,794**	**2,542**	**1,072**	**20,644**
Estimated useful life	Indefinite	Indefinite	5-20 Years	5-20 Years		
Amortization plan			Straight-line	Straight-line		

2019 Amounts in EUR thousand	Goodwill	Trademark	Technology	Customer relationships	Other intangible assets	Total
Accumulated cost 05.02.2019	-	-	-	-	-	-
Business combinations (note 4)	2,391	6,795	6,058	450	684	16,378
Additions	-	-	-	-	49	49
Disposals	-	-	-	-	-11	-11
Exchange differences	-	-	-	-	-16	-16
Closing balance 31.12.2019	**2,391**	**6,795**	**6,058**	**450**	**706**	**16,400**
Accumulated amortization 05.02.2019	-	-	-	-	-	-
Amortization	-	-	497	40	130	667
Disposals	-	-	-	-	-	-
Transfer within PPA	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-
Closing balance 31.12.2019	**-**	**-**	**497**	**40**	**130**	**668**
Net book value 31.12.2019	**2,391**	**6,795**	**5,561**	**411**	**575**	**15,732**
Estimated useful life	Indefinite	Indefinite	5-20 Years	5-20 Years		
Amortization plan			Straight-line	Straight-line		

Note 17 Impairment assessments

For impairment testing goodwill and other intangible assets acquired through business combinations and licences with indefinite useful lives are allocated to the Norway, Brazil and Belgium CGUs, which are also operating and reportable segments.

Carrying amount of goodwill and intangible assets allocated to each of the CGUs:

Amounts in EUR thousand	Fiven Norway	Fiven Brazil	Fiven Belgium	Total segment reporting
Goodwill	5,390	-	-	5,390
Technology	4,794	-	-	4,794
Trademark	6,848	-	-	6,848
Customer relationships	1,525	762	254	2,542
Other intangible assets	784	279	8	1,071
As of 31 December, 2020	**19,341**	**1,041**	**262**	**20,644**

Fiven group has material non-current assets in the form of both tangible (property, plant and equipment) and intangible assets. The assets are routinely monitored and if there are indications that the value of an asset is no longer recoverable, an impairment test is carried out.

Goodwill and intangible assets with an indefinite useful life are not amortized on a regular

basis. These assets are therefore tested at least annually for impairment. If any such indication exists, the recoverable amount of the asset or the Cash Generating Unit (CGU) including goodwill, is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of fair value less costs of disposal and value in use.

Through the acquisition from Saint-Gobain Group in May 2019 Fiven group acquired the following intangible assets with an indefinite useful life: Trademark 6,848 TEUR. Goodwill resulting from the acquisition amounted to 5,390 TEUR.

Judgements and estimates

Discounted cash flow models are applied to determine the value in use for the cash-generating units. The test process involves identifying expected cash flows relating to the assets and discounting the cash flows to arrive at an estimated value. Future cash flows are based on specific assumptions and plans adopted by the company. If the discounted cash flow is lower than the capital employed, the assets are written down to the recoverable amount.

Key assumptions used in the calculation of value in use are growth rate, EBITDA levels, capital expenditure and discount rates.

Growth rates: The expected growth rates are based on its current level experienced over the last few years, to long term-growth level in the marked in which the Group operates.

	Growth
Fiven Norge	1,8%
Fiven Brazil	1,8%
Fiven Belgium	1,8%

EBITDA levels: EBITDA level represent the operating profit before depreciation and amortization. Ref. APM definition. Key assumptions used in estimating value in use and determining the recoverable amount, are sales prices, development in commodity prices, and other relevant information. A forecast is developed for a period of 5 years with projections thereafter.

Capital expenditure: A normalized capital expenditure is assumed on a long run. Estimated capital expenditure do not include capital expenditure that significantly enhance the current performance, as such effects generally are not included in the cash flow projections.

Discount rates: The rate of return is calculated using the Weighted Average Cost of Capital (WACC) method. The cost of Equity and debt are weighted to reflect the company's capital structure of 17/83. To the sectorial WACC it is added an implicit specific risk premium to the cost of equity in order to equalize the WACC to the IRR derived from the PPA. IRR corresponds to the return generated by the business on a standalone basis.

		WACC		
WACC/IRR	Sectorial WACC	Special Risk premium	Total WACC	IRR% PPA
Fiven Norge	8,1%	12,0%	20,1%	20,1%
Fiven Brazil	13,6%	6,5%	20,1%	20,1%
Fiven Belgium	9,8%	10,3%	20,1%	20,1%

Impairment - test results and conclusion

The first impairment testing was conducted in Q2 2020. In addition, the Group has assessed if there are any indications of impairment as of Dec 31-2020. No indications of impairment were detected. None of the plants were assessed to be impaired, as the recoverable amount exceed the carrying amount for all CGUs.

Sensitivity of estimated cash flows

An increase of 3 per cent in WACC will not result in an impairment for Fiven.
A change of long-term growth rate from 1,8 per cent to 0 per cent, and 2.5 per cent reduction in EBITDA level will not result in an impairment for Fiven.

Note 18 Other receivables

	Non-current		Current	
Amounts in EUR thousand	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Pension assets	-	-	-	231
Grants receiveables (note 7)	-	-	1,961	1,303
VAT receiveables	-	-	2,769	1,404
Other receiveables	161	160	1,573	773
Other assets	-	-	-	268
Total other assets	**161**	**160**	**6,304**	**3,979**

	Non-current		Current	
Amounts in EUR thousand	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Prepayments	-	-	620	796
Total prepayments	**-**	**-**	**620**	**796**

Note 19 Inventories

	31.12.2020			31.12.2019
Amounts in EUR thousand	Cost price	Provision	Book value	Book value
Raw materials	8,412	-	8,412	11,046
Semi-finished goods	7,633	-	7,633	9,945
Finished goods	11,888	-273	11,615	11,419
Total inventories	**27,933**	**-273**	**27,660**	**32,410**

Amounts in EUR thousand	01.01-31.12.2020	05.02-31.12.2019
Cost of raw materials and energy cost for production	-47,220	-49,809
Changes in work-in progress and finished goods	-902	6,014
Government Grants (note 7)		-50
Other cost of goods		868
Total raw materials, energy cost and change in inventory	**-48,123**	**-42,978**

Note 20 Trade receivables

	31.12.2020			31.12.2019
Amounts in EUR thousand	Gross	Provision	Carrying value	Carrying value
Not due	10,361		10,361	13,479
1 - 30 days	2,843		2,843	2,289
31 - 60 days	323		323	307
61- 90 days	1		1	25
More than 90 days	373	-215	158	-
Total trade receivables	**13,902**	**-215**	**13,686**	**16,101**

Fiven has entered into a non- recourse factoring agreement currently covering Fiven Norge AS and Fiven Belgium with FACTOFRANCE being the factoring company. The total maximum financing amount under this agreement is 13 MEUR.

The agreement permits Fiven companies to sell receivables and receive funding for up to 90 per cent of the sold receivables to FACTOFRANCE. There are several criteria that must be met to qualify for status 'eligible receivable' enabling Fiven to sell the receivable. Under the factoring agreement Fiven is obliged to insure all relevant transferred receivables.

In the agreement the factor agrees to bear the credit risk for approved receivables. As a result, the factor shall not be entitled to exercise any recourse against the Fiven entities by reason of a payment default of a Fiven customer for which a receivable has been sold to the factor.

There are still some exceptions applying where the non-recourse principal will not apply. These circumstances include receivables being approved, but where they prove not to be fundable, and instances linked to credit insurance where Fiven has certain obligations to fulfill. The non-recourse will not apply if it proves that Fiven has made faulty deliveries. Still, the overriding principal is that receivables are sold without recourse. So far no event of factor sending back receivables to Fiven for any default to non-recourse requirement has occurred.

The receivables are derecognized from Fiven statement of financial position when the customer has paid to Facto France. The below tables gives an overview of Fiven Group trade receivables at 31.12.20.

Amounts in EUR thousand	31.12.2020	31.12.2019
Total gross trade receivables	**13,902**	**16,584**
Transferred to Facto France	6,372	8,103
Fiven Brazil trade receivables	6,925	8,103
Other receivables not transferred to Facto France	605	378
Total trade receivables	**13,902**	**16,584**

4,998 TEUR of the 6,372 TEUR transferred to Facto France was funded at 31 December 2020 against 5,527 TEUR of 8,103 TEUR in 2019.

Note 21 Cash and cash equivalents

Amounts in EUR thousand	31.12.2020	31.12.2019
Cash and bank deposits (unrestricted)	22,738	13,845
Cash equivalents	-	-
Restricted cash and bank deposits	277	927
Total cash and cash equivalents	**23,016**	**14,771**

Restricted cash relates to factoring liabilities, bank deposits in favor of the Norwegian Government Environment Agency and employee withholding tax.

Note 22 Interest bearing liabilities

			Carrying amount	
Amounts in EUR thousand	Interest rate	Maturity date	31:12:20	31:12:19
Secured				
Senior secured floating rate bond	EURIBOR 3M+7.75%	05.apr.22	55,598	54,967
Factoring financing/Export financing	3%	-	9,785	5,526
Obligations under leases (IFRS 16)		-	3,788	4,081
Total secured interest-bearing liabilities			**69,172**	**64,575**
Unsecured				
Shareholder loan[1)]	EURIBOR 3M+8.10%	06.apr.22	34,733	33,786
Total unsecured interest-bearing liabilities			**34,733**	**33,786**
Total debt			103,904	98,360
Current interest bearing debt			-10,990	-7,021
Total non-current interest bearing-liabilities			**92,914**	**91,339**

[1)] Interest is capitalized annually and added to the loan and thereafter bear interest.

Senior secured floating rate bond loan

On 5 April 2019 Fiven AS completed a Euro 100 million Senior Secured Floating Rate Bond. The bonds carry an interest of EURIBOR + 7.75 per cent. The interest is settled on a quarterly basis. The initial nominal amount of each initial bond is EUR 1,000. The maximum total nominal amount of the initial bonds is EUR 56,500,000. Transaction costs 1,978 TEUR, are amortized over the expected lifetime of the loan, using the effective interest method.

Provided that the incurrence test is met, the issuer may, at one or several occasions, issue subsequent bonds. During the term of the bond Fiven shall comply with a financial maintenance covenant prescribing a maximum leverage ratio of 4.5. (Leverage ratio is the ratio of net interest bearing debt to EBITDA. The descriptions of elements being included and excluded from the traditional EBITDA and net interest bearing debt for covenant calculation is described in the bond agreement.)

The Issuer and any Group company may at any time, subject to applicable law, and at any price, purchase bonds. Bonds held by the issuer or any Group Company may at the issuer's or such Group Company's discretion be retained or sold, but not cancelled.

The issuer may redeem all, but not only some, of the outstanding bonds in full:

(i) any time from and including the first issue date to, but excluding, the first call date at an amount per bond equal to 103.875 per cent of the nominal amount plus the remaining interest payments up to, but excluding, the first call date, up to and including the first call date together with accrued but unpaid Interest;

(ii) any time from and including the first call date to, but excluding, the first Business Day falling 24 months after the first issue date at an amount per bond equal to 103.875 per cent of the nominal amount, together with accrued but unpaid Interest;

(iii) any time from and including the first business day falling 24 months after the first issue date to, but excluding, the first business day falling 30 months after the first issue date at an amount per bond equal to 102.325 per cent of the nominal amount, together with accrued but unpaid Interest;

(iv) any time from and including the first business day falling 30 months after the first issue date to, but excluding, the first business day falling 33 months after the first issue date at an amount per bond equal to 100.775 per cent of the nominal amount, together with accrued but unpaid interest; and

(v) any time from and including the first business day falling 33 months after the first issue date to, but excluding, the final maturity date at an amount per bond equal to 100.00 per cent of the nominal amount, together with accrued but unpaid interest.

The Issuer may redeem the bonds on one occasion per calendar year (without carry-back or carry forward) in a maximum aggregate amount not exceeding 5 per cent of the total initial nominal amount.

The issuer may on one occasion, in connection with an equity listing event, repay up to 30 per cent of the aggregate nominal amount of the bonds outstanding from time to time, in which case all outstanding Bonds shall be partially repaid by way of reducing the nominal amount of each bond pro rata.

Upon the occurrence of a change of control event or a delisting event, each bondholder shall have the right to request that all, or some only, of its bonds be repurchased at a price per bond equal to 101 per cent of the nominal amount together with accrued but unpaid Interest.

The bond loan agreement is based on a negative pledge and the group can only to a limited extent pledge its assets to secure its other liabilities.

The bond loan agreement is available at: https://www.fiven.com/company-information/investor-relations/reports/

Un-secured shareholder loan

On 6 April 2019 Fiven AS completed a loan agreement with its shareholder Tosca Intermediate Holdings SARL. The lender makes available to Fiven ASA a loan in the amount of EUR 32,130,000 payable in whole or in part to the lender on its demand. The loan plus accrued and capitalized interest shall be repaid by the borrower on the termination date of the Loan, 6 April 2022, or on demand by the lender.

All payment obligations of Fiven ASA shall be postponed and subordinated the senior secured floating rate bond loan in accordance with a subordination agreement between Tosca Intermediate Holding Sarl (the shareholder) and the Nordic Trustee & Agency AB, acting as agent on behalf of the bondholders.

Subject to the subordination agreement, Fiven ASA may prepay the whole or any part of the Loan (together with all interest accrued thereon) at any time.

The subordination agreement precludes any prepayment or repayment in the subordination period, on demand or otherwise, that is not made by advance consent by the agent acting as representative of the bondholders.

Factoring financing

On 5 June 2019 Fiven entered into a master non-recourse factoring agreement with FACTOFRANCE. Each seller (Fiven Belgium and Fiven Norge) has entered into a credit insurance amendment agreement under which the factor benefits from the relevant credit insurance policy in respect of the relevant transferred receivables.

At any time during the purchase period the factor agrees to purchase eligible receivables owned by the debtor up to a maximum amount determined by an approval limit relevant to Fiven Belgium and Fiven Norge, respectively.

Leasing liabilities

Lease liabilities are effectively secured as the rights to the leased assets recognized in the financial statements revert to the lessor in the event of default.

Export financing

Starting from January 2020 Fiven has an unsecured export credit facility covering export orders for Fiven Brazil to finance cost of production. The financing takes place upon presentation of the orders, and credit lines are through Bradesco Bank and Santander Bank. Interest is paid upon repayment of the financing which normally takes place 180 days after drawing on the facility.

MATURITY OF INTEREST-BEARING LIABILITIES AS OF 31 DECEMBER 2020

Amounts in EUR thousand	2021	2022	2023	2024	2025	2026+	Total
Senior secured floating rate bond		56,500					56,500
Shareholder loan 1)		34,733					34,733
Factoring financing/Export financing	9,785						9,785
Total interest- bearing liabilities	**9,785**	**91,233**	**-**	**-**	**-**	**-**	**101,018**

1) Interest is capitalized annually and added to the loan and thereafter bear interest.

MATURITY OF INTEREST-BEARING LIABILITIES AS OF 31 DECEMBER 2019

Amounts in EUR thousand	2020	2021	2022	2023	2024	2025+	Total
Senior secured floating rate bond			56,500				56,500
Shareholder loan			33,786				33,786
Factoring financing	5,526						5,526
Total interest- bearing liabilities	**5,526**	**-**	**90,286**	**-**	**-**	**-**	**95,812**

For lease liability, see note 12.

Note 23 Financial assets and liabilities

	Categories				Fair value measurement using			
31.12.2020	Financial instruments at fair value through profit or loss	Financial instruments at fair value through OCI	Financial instruments at amortised cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant un-observable inputs (Level 3)	Total instruments measured at fair value
Assets								
Derivatives								
Foreign exchange forward contracts	93			93		93		93
Debt instruments								
Accounts receivable			13,686	13,686				
Cash and cash equivalents			23,016	23,016				
Total Financial assets	**93**	**-**	**36,702**	**36,795**	**-**	**-**	**-**	**93**
Liabilities								
Derivatives								
Foreign exchange forward contracts	279			279		279		279
Interest bearing loans								
Bond loan			55,598	55,598				
Shareholder loan			34,733	34,733				
Other interest bearing loans			9,785	9,785				
Other financial liabilities								
Trade and other payables			23,154	23,154				
IFRS 16 Leasing liabilities			3,788	3,788				
Total financial liabilities	**279**	**-**	**127,059**	**127,338**	**-**	**279**	**-**	**279**

	Categories				Fair value measurement using			
31.12.2019	Financial instruments at fair value through profit or loss	Financial instruments at fair value through OCI	Financial instruments at amortised cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant un-observable inputs (Level 3)	Total instruments measured at fair value
Assets								
Derivatives								
Foreign exchange forward contracts	161			161		161		161
Debt instruments								
Accounts receivable			16,101	16,101				-
Cash and cash equivalents			14,771	14,771				-
Total Financial assets	**161**		**30,873**	**31,033**		**161**		**161**
Liabilities								
Interest bearing loans								
Bond loan			54,967	54,967				-
Shareholder loan			33,786	33,786				-
Other interest bearing loans			5,526	5,526				-
Other financial liabilities								-
Trade and other payables			11,909	11,909				-
IFRS 16 Leasing liabilities			4,081	4,081				-
Total financial liabilities			**110,270**	**110,270**				**-**

Fiven's financial assets and liabilities are classified as financial instruments at amortized cost, with the exception of foreign exchange forward contracts in Brazil. The contracts are used as hedging instruments for revenues in USD and EURO. The forward contracts are measured at fair value, while all other financial assets and liabilities are carried at amortized cost.

Fair value of financial assets and financial liabilities are measured using different levels of input.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability

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DETAILS OF CURRENCY EXCHANGE CONTRACTS 31 DECEMBER 2020

Purchase currency	Purchase thousand	Sale currency	Sale thousand	Type of instrument	Currency deal rate	Due date	Fair value TEUR	Notional amount TEUR
BRL	2,184	USD	400	Non Deliverable Forward	5.46	14.01.2021	19	353
BRL	1,073	USD	200	Non Deliverable Forward	5.36	18.01.2021	6	176
BRL	2,088	USD	400	Non Deliverable Forward	5.22	24.02.2021	3	353
BRL	1,644	USD	300	Non Deliverable Forward	5.48	19.03.2021	15	264
BRL	565	USD	100	Non Deliverable Forward	5.65	14.04.2021	8	88
BRL	1,096	USD	200	Non Deliverable Forward	5.48	19.04.2021	10	176
BRL	1,575	USD	300	Non Deliverable Forward	5.25	17.05.2021	3	264
BRL	1,576	USD	300	Non Deliverable Forward	5.25	17.06.2021	2	264
BRL	566	USD	100	Non Deliverable Forward	5.66	21.01.2021	-8	104
BRL	75	USD	13	Non Deliverable Forward	5.6	04.01.2021	-1	14
BRL	75	USD	13	Non Deliverable Forward	5.63	01.02.2021	-1	14
BRL	1,842	EUR	300	Non Deliverable Forward	6.14	14.01.2021	-10	324
BRL	3,841	EUR	600	Non Deliverable Forward	6.4	28.01.2021	3	649
BRL	2,464	EUR	400	Non Deliverable Forward	6.16	24.02.2021	-15	433
BRL	966	EUR	150	Non Deliverable Forward	6.44	19.03.2021	2	162
BRL	1,005	EUR	150	Non Deliverable Forward	6.7	24.03.2021	8	162
BRL	1,005	EUR	150	Non Deliverable Forward	6.7	14.04.2021	8	162
BRL	967	EUR	150	Non Deliverable Forward	6.45	19.04.2021	2	162
BRL	9,225	EUR	1,500	Non Deliverable Forward	6.15	12.05.2022	-114	1,622
BRL	9,045	EUR	1,500	Non Deliverable Forward	6.03	16.05.2022	-131	1,622
BRL	1,926	EUR	300	Non Deliverable Forward	6.42	17.05.2021	3	324
BRL	1,927	EUR	300	Non Deliverable Forward	6.42	17.06.2021	2	324
	46,731						**-185**	**8,020**

Note 24 Provisions

PROVISIONS

Amounts in EUR thousand	Re-structuring	Site renovation	Environmental obligations	Other accruals/ provisions	Total provisions
Opening balance	**-**	**255**	**978**	**-**	**1,233**
Additional provisions recognised	-	-	5	96	101
Used during the year	-	-	-	-	-
Provisions reversed	-	-	-	-	-
Exchange rate differences	-	-74	-171	-	-245
Closing balance	**-**	**181**	**812**	**96**	**1,089**
Non-current liability		181	812	96	1,089
Current liability		-	-	-	
Closing balance	**-**	**181**	**812**	**96**	**1,089**

The provisions for environmental obligations refers to estimated cost incurred to comply with government regulations requiring a reduction of emissions and other environmental impacts from the production facilities in Norway 466 TEUR and in Brazil 346 TEUR in 2020 (490 TEUR in Norway and 488 TEUR in Brazil in 2019).

The site renovation provision 180 TEUR in 2020 (255 TEUR in 2019) refers to estimated future expenses to recover the land impacted by the sand mine in Brazil.

OTHER PAYABLES

Amounts in EUR thousand	31.12.2020	31.12.2019
Other accounts payable	615	636
Accrued personnel and social expenses	2,916	3,783
Tax payable (other than income tax)	101	200
Accrued interest payable	2,893	1,119
Total other payables	**6,528**	**5,739**

Note 25 Financial risk

Fiven operates in an international and cyclical industry which exposes the business to a variety of financial risks. The financial risks are related to (1) market risk consisting of risk factors to currency, price and interest rates, (2) counterpart credit risk related to the financial ability of customers and lastly, (3) liquidity risk related to the risk that Fiven will encounter difficulties in meeting financial obligations.

1 Market Risks

1.1 Currency Risks

Fiven has revenues and operating costs denominated in various currencies. The largest trading currencies are EUR and USD, but also BRL, GBP and JPY are currencies in which Fiven trade. Fiven is using natural hedge to the extent possible by matching inflows and raw materials purchases to be denominated in the same currencies as well as entering into forward foreign exchange contracts to cover surplus currency risks.

Fiven Norway has virtually no sales in local currency, and USD and EUR are the dominant ones. Raw material contracts like pet coke, sand and energy accounting for the majority of costs of goods sold, are signed in corresponding currencies to reduce impact on risk from currency inflows. Fiven Belgium external sales are in EUR. Import of crude silicon carbide from Fiven Venezuela is USD based. Through a barter trade agreement Fiven Belgium is also paying all USD denominated purchases (mainly pet coke) on behalf of Fiven Venezuela offsetting currency risk on the crude. Fiven Brazil has mainly a currency inflow exposure as raw materials purchases are paid in local currency. In 2020 approximately 60 per cent of total sales were in foreign currency, and the risk were covered through hedging instruments. The parent company Fiven ASA has EUR as functional currency as main in- and outflows are EUR denominated.

Currency exposure affecting the consolidated statement of income:

The table below shows assets and liabilities denominated in foreign currencies different from the entities functional currency, where changes in currency rates will affect profit and loss. The table includes notional amount of foreign exchange contracts.

Amounts in Euro 1000	USD	EUR	JPY	NOK	Other	Total 2020	Total 2019
Other non current (financial) assets	-	-	-	-	-	-	7,745
Receivables	14,923	7,631	197	4,261	288	27,300	27,535
Other current (financial) assets	-	-	-	-	-	-	-
Cash and cash equivalents	934	3,273	-	80	94	4,382	4,802
Total monetary assets	**15,858**	**10,904**	**197**	**4,342**	**382**	**31,682**	**40,082**
Interest bearing liabilities	1,369	2,080	59	-	-3	3,504	-
Other liabilities	-	66	-	-	-	66	-
Trade payables	14,160	2,338	-	-	236	16,734	13,601
Total monetary liabilities	**15,528**	**4,484**	**59**	**-**	**234**	**20,305**	**13,601**
Derivatives notional value	2,070	5,949	-	-	-	8,020	6,837
Net currency exposure financial position	**-1,741**	**470**	**139**	**4,342**	**148**	**3,358**	**19,644**
Sensitivity:							
10% appreciation	-174	47	14	434	15	336	
10% depreciation	174	-47	-14	-434	-15	-336	
Sensitivity 2019:							
10% appreciation	595	241	29	1,101	-3		1,964
10% depreciation	-595	-241	-29	-1,101	3		-1,964

The sensitivity related to financial assets and liabilities potential impact on Fiven's profit or loss, is based on a strengthening / weakening of main currencies by 10 per cent against the functional currencies of the subsidiaries. If all the main currencies weakened against the functional currencies, the profit before tax would decrease by euro 334 thousand.

1.2 Price Risk

Fiven is exposed to fluctuation in the market prices in the operating business related to individual contracts and products. The way Fiven mitigates the price risk is through innovation, product differentiation and through improved cost competitiveness.

1.3 Commodity prices

Sand, electricity and pet coke are the main raw materials in the manufacturing of Silicon Carbide and account for a significant portion of the total production costs. Whilst there is a forward marked for energy enabling Fiven to secure future needs with contracts signed today, pet coke and sand are purchased in the spot markets as no forward market exists. This means Fiven is exposed to fluctuation in the commodity markets for these raw materials. Fiven tries to keep multiple source options to avoid being overly depended on any particular supplier.

1.4 Interest rate risk

Fiven's interest risks arises from interest bearing liabilities granted by external financial institutions and owners. Fiven liabilities are drawn in EUR and USD (export credit facility in Brazil).

Fiven financing have four pillars; a bond, a shareholder loan, a factoring facility and an export credit facility. All four facilities have in common that they have floating interest, and hence are exposed to fluctuating interest rates. With floating interest rates the group will normally be in a position to benefit from lower interest rates in an economic downturn, but a floating rate policy will also leave the group exposed to higher future interest rates. An increase of interest rates by 0.5 points per annum would impact the Group's financials expenses negatively by 520 TEUR. A reduction of interest rates would have limited impact. If relevant base interest rates are negative as is currently the case, the bases rates will be deemed to be zero.

2 Trading partner risk

Credit risk is the risk of financial losses to the group if a customer or counterparty fails to meet contractual obligations. For Fiven this arises mainly to trade receivables. Trade receivables are generally secured by credit insurance from a reputable credit insurance company. Credit limits for each customer and overdue receivables are monitored and built into the ERP systems and for customers where credit insurance cannot be obtained, other methods are generally used to secure the sales proceeds, such as prepayment or documentary credit. During the second half of 2019, a non-recourse factoring agreement for Fiven Norge and Fiven Belgium was implemented, enabling the two entities to sell up to 90 per cent of the total 'allowable receivables' to the FACTOFRANCE.

3 Liquidity Risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities. Fiven is exposed to liquidity risk related to its operations and financing. Fiven's cash flow will fluctuate due to economic conditions and financial performance. In order to assess its future operational liquidity risk, short-term and long-term cash flow forecasts are provided. The short-term forecast is updated each week, and the long-term cash flow projection is updated as part of the planning cycles.

Fiven has a non-recourse factoring facility which allows a funding of up to 90 per cent of the total receivables transferred to the factoring company for a total amount not exceeding 13 MEUR for entities in Fiven Norge and Fiven Belgium. As per 31 December 2020, the utilization of the factoring facility was 5.0 MEUR.

In Brazil, Fiven has an export credit facility based on confirmed export order intake to finance cost of production. The credit facility is covering up to 210 days, and at the end of December 2020 the total of the facility was 4.8 MEUR.

The bond has maturity date 5 April 2022 and the un-secured shareholder loan, 6 April 2022. Trade payables are payable in 2020. The factoring liabilities at 31 December 2020 matures in Q1 2021 and the export credit facility in Brazil in 1H 2021. The bond contains financial covenants further described in note 22 Interest Bearing liabilities. The group is in compliance with all covenants as of the reporting date

Note 26 Capital management

Fiven is managing its financing and liquidity position to support Fiven's growth strategy. Furthermore, the capital management objectives also include reduction of liquidity risk and to ensure that the company can meet its financial obligations at all times and to optimize the capital structure to reduce cost of capital.

In 2020 and following the Covid 19 outbreak, Fiven has maintained a strong focus on liquidity as the pandemic has triggered uncertainty about market impact and subsequently about the company's ability to meet it's financial commitments. The results demonstrate that Fiven has been able to manage the situation well through a healthy cash position and a reduction of net-interest bearing debt.

Looking forward and to support the company's growth strategy, it is important to optimize the availability of the external financial sources. The current bond structure allows a total maximum nominal amount of 100 MEUR. In March 2020 the Fiven bond was listed on NASDAQ in Stockholm, and the bond is now traded here as well as at the Frankfurt Stock Exchange.

Bondholders under the initial bonds are senior ranked and there will be no dividend paid to Fiven shareholders or servicing of any loan, including shareholder loan, prior to the final maturity date of the initial bond.

The bond agreement includes covenants prescribing a maximum net interest bearing debt to EBITDA ratio should not exceed 4.5. The descriptions of elements being included and excluded from the traditional EBITDA and net interest-bearing debt for covenant calculation is described in the bond agreement. The financial flexibility is also maintained through the existing factoring facility and an export credit facilities subject to regulations described in the Bond agreement. The utilization of these facilities can potentially be extended depending on the growth pace of the business.

In 2021 Fiven will start planning for refinancing as the bond expires in April 2022.

Note 27 Number of shares

	Number of shares	Nominal value per share		Total share capital	Total share premium
		EUR	NOK	EUR	EUR
As of 01.01.20	1,000	20	200	20,421	5,656,305
Contribution of equity	-	81.0	800	80,955	-80,955
As of 31.12.20	**1,000**	**101.3**	**1,000**	**101,376**	**5,575,350**
As of 05.02.19	1,000	3.1	30	3,100	1026
Capital increase 13.05.19	-	17.3	170	17,321	5,655,279
As of 31.12.19	**1,000**	**20.4**	**200**	**20,421**	**5,656,305**

The nominal value per share is 1,000 NOK after a contribution of equity.

Fiven AS was converted from a AS (limited company) to an ASA (public limited company) in February 2020.

100 per cent of the shares are owned by Tosca Intermediate Holdings Sàrl, a company owned by OpenGate Capital, a private equity firm. There is one class of shares.

Note 28 Supplementary information to the consolidated statement of cash flows

2020

Liabilities from financing activities	01.01.2020	Cash flows in	Cash flows out	Business combi-nation	Non-cash effects: Foreign exchange movement	Non-cash effects: New leases	Non-cash effects: Accruals	31.12.2020
Bond loan	54,967	-	-4,427	-	-	-	5,058	55,598
Shareholders loan	33,786	-	-	-	-	-	947	34,733
Factoring/Export financing	5,526	5,180	-961		40			9,785
Lease liabilities	4,081	-	-1,909	-	-496	1,504	608	3,788
Total liabilities from financing activities	**98,360**	**5,180**	**-7,297**	**-**	**-456**	**1,504**	**6,613**	**103,904**

2019

Liabilities from financing activities	05.02.2019	Cash flows in	Cash flows out	Business combi-nation	Non-cash effects: Foreign exchange movement	Non-cash effects: New leases	Non-cash effects: Accruals	31.12.19
Bond loan	-	56,500	-4,431	-	-	-	2,898	54,967
Shareholders loan	-	32,130	-	-	-	-	1,656	33,786
Factoring/export financing	-	5,509	-	-	17	-	-	5,526
Lease liabilities	-	-	-1,067	4,549	-98	626	71	4,081
Short term loan (part of acquisition transaction)	-	-	-10,137	10,137	-	-	-	-
Total liabilities from financing activities	**-**	**94,139**	**-15,635**	**14,686**	**-81**	**626**	**4,625**	**98,360**

Note 29 Transactions and balances with related parties

	01.01-31.12.2020						31.12.2020	
Amounts in EUR thousand	Trade sales	Trade purchases	Sale of services	Purchase of services	Interest income	Interest expense	Receivables from	Payables to
Fiven Venezuelan entities	1,311	1,974	-	-	-	-	11,577	8,522
Open Gate Capital	-	-	-	1,046	-	-	-	-
Tosca Intermediate Holding Sarl	-	-	-	-	-	2,713	-	36,499
Total	**1,311**	**1,974**	**-**	**1,046**	**-**	**2,713**	**11,577**	**45,020**

	01.01-31.12.2020						31.12.2020	
Amounts in EUR thousand	Trade sales	Trade purchases	Sale of services	Purchase of services	Interest income	Interest expense	Receivables from	Payables to
Fiven Venezuelan entities	7,004	4,485	85	-	-	-	13,941	10,554
Open Gate Capital	-	-	-	583	-	-	-	-
Tosca Intermediate Holding Sarl	-	-	-	-	-	1,650	-	33,786
Total	**7,004**	**4,485**	**85**	**583**	**-**	**1,650**	**13,941**	**44,340**

Fiven ASA is owned 100 per cent by Tosca Intermediate Holdings Sàrl which is controlled by Open Gate Capital Fund II. Transactions and balances between Fiven ASA and its consolidated subsidiaries have been eliminated in the consolidated financial statements.

Note 30 Pledge of assets and guarantees

The bond loan agreement is based on a negative pledge and Fiven ASA (Bond issuer) and Group entities can only to a limited extent pledge its assets to secure its other liabilities.

Fiven ASA and Group entities shall not provide, prolong or renew any permitted security as defined by the bond unless otherwise stated in the bond document.

Note 31 Contingent liabilities

There are no ongoing contingent liabilities as of 31.12.2020.

Fiven ASA financial statements

Statement of income

Amounts in EUR thousand	Note	2020	2019
1 January to 31 December (5 February to 31 December)			
Revenue	13	4,243	2,237
Other Income	8	7,457	3,584
Total revenue		**11,699**	**5,821**
Employee benefit expenses	4, 5	-743	-282
Other operating expenses	6	-4,546	-3,188
Total operating expenses		**-5,288**	**-3,471**
Operating profit (loss)		**6,411**	**2,350**
Finance expense	8	-8,795	-5,560
Net finance income (expense)		**-8,795**	**-5,560**
Net income (loss) before income taxes		**-2,384**	**-3,210**
Income tax (expense) benefit	9	-308	-149
Net income (loss)		**-2,693**	**-3,359**
Net income (loss) attributable to:			
Equity holders of the parent	3	-2,693	-3,359
Total net income (loss) attributed		**-2,693**	**-3,359**

Statement of financial position

Amounts in EUR thousand	Note	31.12.2020	31.12.2019
ASSETS			
Non-current assets			
Shares in subsidiaries	7	78,477	82,044
Other financial assets	11	12	7,745
Total non-current assets		**78,490**	**89,789**
Current assets			
Trade receivables	13	279	512
Other receivables	13	10,181	1,964
Prepayments		64	33
Cash and cash equivalents	10	9,626	2,723
Total current assets		**20,150**	**5,232**
TOTAL ASSETS		**98,640**	**95,022**

Amounts in EUR thousand	Note	31.12.2020	31.12.2019
EQUITY AND LIABILITIES			
Equity			
Share capital	3	101	20
Other paid in capital	3	-	2,297
Retained earnings	3	-476	-
Total equity		**-375**	**2,318**
Non-current liabilities			
Bond loan	11	55,598	54,967
Interest bearing liabilities	11	34,733	33,786
Other liabilities and provision	13	4,711	1,541
Total non-current liabilities		**95,042**	**90,294**
Current liabilities			
Trade payables	13	763	1,154
Other payables		3,210	1,256
Total current liabilities		**3,974**	**2,410**
Total liabilities		**99,015**	**92,704**
TOTAL EQUITY AND LIABILITIES		**98,640**	**95,022**

The Board of Directors of Fiven ASA - Oslo, 23 March 2021

Falk Ast
Chairman

Betty Lunde Åsheim
Member of the Board

Pål Einar Runde
Member of the Board

Helén Borchgrevink
Member of the Board

Stein Erik Ommundsen
General Manager

Statement of cash flows

Amounts in EUR thousand	Note	2020	2019
1 January to 31 December (5 February to 31 December)			
Net income (loss)		-2,693	-3,359
Corporate income tax	9	308	149
Net income (loss) before income taxes		**-2,384**	**-3,210**
Adjustments to reconcile net income (loss) before income tax to net cash flows			
Net Interest expense	8	8,795	5,492
Change in trade receivables and trade payables		-358	493
Change in other receivables, prepayments, and other payables		87	-1,866
Group contribution not received		-5,780	-
Cash flows from operating activities		**360**	**909**
Acquisitions of subsidiary	7	-678	-82,044
Repayments of loan by related parties	13	8,650	2,198
Loan to related parties	13	-	-9,933
Cash flows from investing activities		**7,971**	**-89,779**
Proceeds from issues of bonds	11	-	56,500
Proceeds from shareholders loan	11	-	32,130
Proceeds from other interest bearing liablities	11	3,000	1,500
Interest and placement fee paid		-4,427	-4,211
Proceeds from issues of shares	3	-	5,670
Cash flows from financing activities		**-1,427**	**91,589**
Net increase in cash and cash equivalents		6,903	2,719
Cash and cash equivalents as of 31 December 2019		2,723	4
Cash and cash equivalents as of 31 December 2020		**9,626**	**2,723**

Notes to Fiven ASA financial statements

Note 1 General information and basis of preparation

Fiven ASA ("the Company") was incorporated 5 February 2019 and is the parent company in the Fiven Group with registered offices in Oslo, Norway. On 14 May 2019, the Company completed the acquisition of 100 per cent of the shares and voting interests in its operating subsidiaries from Saint-Gobain.

The financial statements for Fiven ASA including notes, for the year ended 31 December 2020 were approved by the Board of Directors of Fiven ASA on 23 March 2021.

Fiven is a global leader in silicon carbide ("Sic"), a material used in a variety of industrial applications. Sic is recognized for superior hardness and thermal conductivity, making it the preferred material for demanding applications: abrasive, metallurgy, filtration, technical ceramics and other uses. The Fiven Group is headquartered in Oslo (Norway). There are manufacturing entities in Arendal and Lillesand (Norway), Hody (Belgium), Barbacena (Brazil) and Puerto Ordaz (Venezuela). Fiven GmbH located in Cologne (Germany) is a management office. There are also sales representation offices in Shanghai (China) and in Pittsburgh (USA).

Note 2 Significant accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The accounts are prepared based on a going concern assumption.

The functional currency of Fiven ASA is Euro.

Use of estimates

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the Company's accounting principles also requires management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

Revenues

Income from sales of services are recognized at fair value of the consideration, net after deduction of VAT, returns, discounts and reductions. Sales are taken to income when the Company has delivered its services to the customer and there are no unsatisfied commitments which may influence the customer's acceptance of the service.

Classification of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Purchase costs

The purchase cost of assets includes the cost price for the asset, adjusted for bonuses, discounts and other rebates received, and purchase costs (freight, customs fees, public fees which are non-refundable and any other direct purchase costs). Purchases in foreign currencies are reflected in the balance sheet at the exchange rate at the transaction date.

For fixed assets and intangible assets purchase cost also includes direct expenses to prepare the asset for use, such as expenses for testing of the asset.

Investments in other companies

Except for short term investments in listed shares, the cost method is applied to investments in other companies. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies are reflected as financial income when it has been approved.

Asset impairments

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cash flows can be identified. If the carrying amount is higher than both the fair value less cost to sell and recoverable amount (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the recoverable amount.

Debtors

Trade debtors are recognized in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other debtors, both current and long term, are recognized at the lower of nominal and net realizable value. Net realizable value is the present value of estimated future payments. When the effect of a write down is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for trade debtors.

Assets and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognized as operating income and cost of goods sold.

Liabilities

Interest-bearing borrowings are initially recognized at cost. After initial recognition, such financial liabilities are measured at amortized costs using the effective interest method. Transaction costs are taken into account when calculating amortized cost. Trade payables are carried at cost.

Pensions

The Company has a defined contribution plan.

With a defined contribution plan the Company pays contributions to an insurance company. After the contribution has been made the Company has no further commitment to pay. The contribution is recognized as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).

Deferred tax is reflected at nominal value.

Note 3 Share capital and statement of changes in equity

The Company has one class of shares. All shares come with full voting rights. The share capital is nominated in NOK. The nominal value per share is 1 000 NOK.

Fiven AS was converted from a private limited liability company (AS) to a public liability limited company (ASA) in February 2020.

Amounts in EUR thousand	Share capital	Other paid in capital	Retained Earnings (accumulated deficit)	Total Equity
As of 31 December, 2019	20	2,297	-	2,318
Net income (loss)	-	-2,216	-476	-2,693
Contribution of equity, net of transaction costs	81	-81	-	-
As of 31 December, 2020	**101**	**-**	**-476**	**-375**

Amounts in EUR thousand	Share capital	Other paid in capital	Retained Earnings (accumulated deficit)	Total Equity
Date of incorporation, 5 February 2019	3	1	-	4
Net income (loss)	-	-3,359	-	-3,359
Contribution of equity	17	5,655	-	5,673
As of 31 December, 2019	**20**	**2,297**	**-**	**2,318**

Note 4 Employee benefit expenses

Amounts in EUR thousand	01.01-31.12.20	05.02-31.12.19
Salaries incl. bonuses	639	143
Social security cost	76	19
Defined-contribution pension cost (Note 5)	24	4
Other personnel related cost	4	116
Total employee benefit expenses	**743**	**282**

Note 5 Employee benefit obligations (pensions)

Defined contribution plans

Defined contribution plans are the main pensions plan for Fiven ASA, where the contribution to each individual pension plan is 8 per cent between 7.1 and 12 G. 1G refers to the Norwegian national insurance scheme's basic amount, which was NOK 101,351 as at 1 May 2020.

The defined contribution plan covers all full-time employees. 31 December 2020 there were 4 members in the plan. Contribution expensed amounted to 23,8 TEUR in 2020.

Note 6 Other operating expenses

Amounts in EUR thousand	01.01-31.12.20	05.02-31.12.19
Other operating expenses		
Rent and and leasing expenses	57	36
Travel expenses	18	32
Consultancy fees and external personnel	1,734	2,169
Auditor`s fee	247	28
Management fee (Intercompany)	2,341	900
Other operating cost	149	23
Total other operating expenses	**4,546**	**3,188**

Amounts in EUR thousand	01.01-31.12.20	05.02-31.12.19
Specification auditor's fee		
Statutory audit (PWC)	161	28
Other assurance services (PWC)	85	-
Total	**247**	**28**

Note 7 Shares in subsidiaries

Company Amounts in EUR thousand	Location	Ownership interest in %	Total equity	Result	Value in the balance sheet
Fiven Norge AS	Norway	100%	19,308	5,758	32,769
Fiven GmbH	Germany	100%	120	59	29
Materiaux Ceramiques SA	Belgium	100%	11,671	-1,819	20,932
Carbeto de Silício Sika Brasil Ltda	Brazil	100%	23,138	2,476	24,747
Total					**78,477**

Note 8 Finance income and expenses

Amounts in EUR thousand	01.01-31.12.20	05.02-31.12.19
Finance income		
Interest income Intercompany	374	468
Other interst income	-	-
Dividends from subsidiaries	7,083	3,115
Total financial income	**7,457**	**3,584**

Amounts in EUR thousand	01.01-31.12.20	05.02-31.12.19
Finance expenses		
Interest on debts and borrowings	7,773	5,474
Interest expense Intercompany	169	41
Foreign exchange losses	851	45
Other financial expenses	2	-
Total financial expenses	**8,795**	**5,560**

Note 9 Taxes

Amounts in EUR thousand	01.01-31.12.20	05.02-31.12.19
Withholding tax	-308	-149
Changes in deferred tax	-	-
Income tax (expense) benefit	**-308**	**-149**

RECONCILIATION OF TAX (EXPENSE) BENEFIT TO NOMINAL STATUTORY TAX RATE OF 22%

Amounts in EUR thousand	01.1-31.12.20	05.02-31.12.19
Net income (loss) before income taxes	-2,384	-3,210
Tax expense (-) benefit at applicable tax rate	525	706
Tax effect of permanent differences exempted for tax	369	685
Tax effect of other permanent differences not tax deductible	-	-13
Changes in unrecognized deferred tax asset	-2,112	-1,315
Tax effect on translation differences exempted for tax	911	-213
Income tax (expense) benefit for the year	**-308**	**-149**
Effective tax rate	-13%	-5%

DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITY

Amounts in EUR thousand	31.12.2020	31.12.2019
Tax losses carried forward	432	148
Witholding tax expected to be credited	457	149
Other non current / Interest cost subject to limitations	2,538	1,018
Deferred tax assets	3,427	1,315
Unrecognized deferred tax asset, losses carried forward	-432	-148
Unrecognized deferred tax asset, witholding tax	-457	-149
Unrecognized deferred tax asset, interest cost subject to limitations	-2,538	-1,018
Deferred tax assets recognized	-	-
Net Deferred tax assets recognized 31.12	-	-

Deferred tax assets of 2,538 TEUR in 2020 (1,018 TEUR in 2019) relate to Norwegian limitations to interest deductions on net interest expenses, carry forward due to restrictions. The interest subject to limitations must be utilized within ten years. Deferred tax assets amounted to 432 TEUR in 2020 (148 TEUR in 2019) relate to tax loss and can be carried forward indefinitely. Total deferred tax assets of 3,427 TEUR is not recognized as deferred tax assets at 31 December 2020.

Note 10 Cash and cash equivalents

Amounts in EUR thousand	31.12.2020	31.12.2019
Cash and bank deposits (unrestricted)	9,561	2,700
Restricted bank deposits [1]	65	23
Total cash and bank deposits	**9,626**	**2,723**

1) Restricted cash is restricted funds deposited in the tax employee withholding account.

Note 11 Interest bearing liabilities

Amounts in EUR thousand	Termination	Rate	2020	2019
Senior secured floating rate bond	Apr 5. 2022	EURIBOR+7.75%	55,598	54,967
Loan Tosca Intermediate Holdings Sàrl[1]	Apr 6. 2022	EURIBOR+8.1%	34,733	33,786
Loan Matreaux Ceramiques (subs.)	Apr 6. 2022	EURIBOR+8.1%	4,711	1,541
Total non-current liabilities			**95,042**	**90,294**

[1] Interest is capitalized annually and added to the loan and thereafter bear interest.

Senior secured floating rate bond loan

On 5 April 2019 Fiven AS completed a EUR 100 million Senior Secured Floating Rate Bond. The bonds carry an interest of EURIBOR + 7,75 per cent. The interest is settled on a quarterly basis. The initial nominal amount of each initial bond is EUR 1,000. The maximum total nominal amount of the initial bonds is 56,500,000 EUR. Provided that the incurrence test is met, the issuer may, at one or several occasions, issue subsequent bonds. During the term of the bond Fiven shall comply with a financial maintenance covenant prescribing a maximum leverage ratio of 4.5. (Leverage ratio is the ratio of net interest bearing debt to EBITDA. The descriptions of elements being included and excluded from the traditional EBITDA and net interest bearing debt for covenant calculation is described in the bond agreement.)

The Issuer and any Group company may at any time, subject to applicable law, and at any price, purchase bonds. bonds held by the issuer or any Group Company may at the issuer's or such Group Company's discretion be retained or sold, but not cancelled.

The issuer may redeem all, but not only some, of the outstanding bonds in full:

(i) any time from and including the first issue date to, but excluding, the first call date at an amount per bond equal to 103.875 per cent of the nominal amount plus the remaining interest payments up to, but excluding, the first call date, up to and including the first call date together with accrued but unpaid Interest;
(ii) any time from and including the first call date to, but excluding, the first Business Day falling 24 months after the first issue date at an amount per bond equal to 103.875 per cent of the nominal amount, together with accrued but unpaid Interest;
(iii) any time from and including the first business day falling 24 months after the first issue date to, but excluding, the first business day falling 30 months after the first issue date at an amount per bond equal to 102.325 per cent of the nominal amount, together with accrued but unpaid Interest;
(iv) any time from and including the first business day falling 30 months after the first issue date to, but excluding, the first business day falling 33 months after the first issue date at an amount per bond equal to 100.775 per cent of the nominal amount, together with accrued but unpaid interest; and
(v) any time from and including the first business day falling 33 months after the first issue date to, but excluding, the final maturity date at an amount per bond equal to 100.00 per cent of the nominal amount, together with accrued but unpaid interest.

The Issuer may redeem the bonds on one occasion per calendar year (without carry-back or carry forward) in a maximum aggregate amount not exceeding 5 per cent of the total initial nominal amount.

The issuer may on one occasion, in connection with an equity listing event, repay up to 30 per cent of the aggregate nominal amount of the bonds outstanding from time to time, in which case all outstanding Bonds shall be partially repaid by way of reducing the nominal amount of each bond pro rata.

Upon the occurrence of a change of control event or a delisting event, each bondholder shall have the right to request that all, or some only, of its bonds be repurchased at a price per bond equal to 101 per cent of the nominal amount together with accrued but unpaid Interest.

The bond loan agreement is based on a negative pledge and the group can only to a limited extent pledge its assets to secure its other liabilities.

Un-secured shareholder loan

On 6 April 2019 Fiven AS completed a loan agreement with its shareholder Tosca Intermediate Holdings SARL. The lender makes available to Fiven ASA a loan in the amount of EUR 32,130,000

payable in whole or in part to the lender on its demand. The loan plus accrued and capitalized interest shall be repaid by the borrower on the termination date of the Loan, 6 April 2022, or on demand by the lender.

All payment obligations of Fiven ASA shall be postponed and subordinated the senior secured floating rate bond loan in accordance with a subordination agreement between Tosca Intermediate Holding Sarl (the shareholder) and the Nordic Trustee & Agency AB, acting as agent on behalf of the bondholders.

Subject to the subordination agreement, Fiven ASA may prepay the whole or any part of the Loan (together with all interest accrued thereon) at any time.

The subordination agreement precludes any prepayment or repayment in the subordination period, on demand or otherwise, that is not made by advance consent by the agent acting as representative of the bondholders.

Note 12 Financial risk

Currency exposure affecting statement of income

The table below shows assets and liabilities denominated in foreign currencies different from the entities functional currency, where changes in currency rates will affect profit or loss. Note that group intercompany amounts should be included (if different from functional currency of the reporting entity)

Amounts in functional currency (normally the local currency of the reporting entity)

Amounts in EUR thousand	31.12.2020	31.12.2019
Other non current (financial) assets	-	7,745
Receivables	5,054	2,355
Other current (financial) assets	-	33
Cash and cash equivalents	152	958
Total monetary assets	**5,206**	**11,092**
Interest bearing liabilities	-	-
Other liabilities	-	-
Trade payables	-	777
Total monetary liabilities	**-**	**777**
Net currency exposure financial position	**5,206**	**10,315**
31.12. currency rate	10.4703	9.8638

Note 13 Intercompany items

	Fiven Norge AS		Fiven GmbH		Materiaux Ceramiques SA		Carbeto de Silício Sika Brasil Ltda		Total	
Amounts in EUR thousand	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Non current receivables		7,735							-	7,735
Trade receivables	126	384	3		90	43	61		279	427
Other receivables	4,775	1,926							4,775	1,926
Total	**4,901**	**10,045**	**3**	**-**	**90**	**43**	**61**	**-**	**5,055**	**10,088**
Non current liabilities					1,666	1,541	3,045		4,711	1,541
Trade payables			90	113					90	113
Total	**-**	**-**	**90**	**113**	**1,666**	**1,541**	**3,045**	**-**	**4,801**	**1,654**
Revenue	1,642	864			974	498	1,626	875	4,243	2,237
Other income (dividen/group contribution)	5,903	1,880			1,179	1,235			7,082	3,115
Management fee expense			-1,296	-900					-1,296	-900
Other income (interest)	374	468							374	468
Financial expense					-125	-41	-45		-169	-41
Total	**7,919**	**3,213**	**-1,296**	**-900**	**2,028**	**457**	**1,581**	**2,110**	**14,478**	**7,995**

Note 14 Events after the reporting period

No events have occurred after the balance sheet date with material impact on the financial statements for 2020.

Appendix to Fiven 2020 Annual report - Alternative Performance Measures (APMs)

An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS). Fiven uses EBITDA and Adjusted EBITDA (EBITDA Adj.) to measure operating performance at the group and segment level.

In particularly management regards EBITDA and Adjusted EBITDA as relevant performance measures at segment level because intangible assets, income tax and finance expenses/ finance income, are managed on a group basis.

The APMs presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and should not be considered as a substitute for measures of performance in accordance with IFRS. Because companies calculate the APMs presented herein differently, Fiven's presentation of these APMs may not be comparable to similarly titled measures used by other companies.

Fiven`s financial APMs defined:

EBITDA
Earnings Before Interest, Tax, Depreciation and Amortization. EBITDA is a measure of the Group`s operating profit before depreciation and amortization.

EBITDA (Adj).
EBITDA (adj.) shows the Group's EBITDA before items that require special explanation, and is defined as reported EBITDA before "Other income and expenses" (OIE).

OIE include one-off and non-recurring operating expenses and P&L arising from the acquisition of the Fiven group.

The adjusted EBITDA is the Group`s key financial figure, internally and externally. The figure is used to identify and analyze the Group's operating profitability from normal operations and operating activities, excluding the effects from depreciation and amortization.

APM Table:

SEGMENT REPORTING FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2020:

Amounts in EUR thousand	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Operating profit/(loss)	**8,095**	**6,015**	**-1,217**	**-2,431**	**10,462**
Depreciation and amortization	2,179	1,152	253	1,196	4,781
EBITDA	**10,274**	**7,167**	**-964**	**-1,234**	**15,242**
Transaction costs	-	-	-	1,218	1,218
Other non-reccuring costs	360	-324	-82	306	260
EBITDA ADJ.	**10,633**	**6,844**	**-1,046**	**290**	**16,721**

SEGMENT REPORTING FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2019:

Amounts in EUR thousand	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Operating profit/(loss)	**3,716**	**2,367**	**1,568**	**-4,777**	**2,874**
Depreciation and amortization	1,630	1,569	211	537	3,946
EBITDA	**5,346**	**3,936**	**1,779**	**-4,240**	**6,820**
Transaction costs	-	-	-	1,972	1,972
Other non-reccuring costs	316	323	207	1,547	2,393
PPA Inventory effect	-	-	-	1,000	1,000
Management fee	-	-	-	583	583
EBITDA ADJ.	**5,662**	**4,259**	**1,986**	**862**	**12,768**

Definitions of financial covenants terms (summarized by Fiven):

EBITDA as defined in the Bond Loan Agreement
EBITDA is to be adjusted for the following costs / items:

1. Transaction costs, meaning all fees incurred by Fiven in connection with the acquisition of the Target Group and Bond issuance costs listing.
2. Any non- recurring items which are not in line with the ordinary course of business, provided that the aggregated amount does not exceed 10 per cent of the EBITDA.
3. The effect of the implementation of IFRS16 Leasing and one-off IFRS3 Business Combinations

Net Interest Bearing Debt as defined in the bond loan
All interest bearing liabilities, excluding shareholder loans, IFRS 16 leasing impact and factoring liabilities.

Auditor's report

To the General Meeting of Fiven ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fiven ASA, which comprise:

- The financial statements of the parent company Fiven ASA (the Company), which comprise the statement of financial position as at 31 December 2020, the statement of income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Fiven ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2020, the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in

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accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill and other intangible assts	
At 31 December 2020, the Group had goodwill with a carrying value of EUR 5 390 thousand and other intangible assts with a carrying value of EUR 15 254 thousand. The impairment assessment involves significant managements judgements, and a potential impairment may have material impact on the carrying value of the Group's assets. The use of judgement is in particular related to discount rate (WACC), future revenues from sales of products, EBITDA ratios and capital expenditures. See note 3 «Accounting estimates and judgements» and «Note 17 Impairment assessments» where the impairment model and key assumptions are disclosed.	We obtained management's impairment review. The review includes documentation of management's identification of cash generating units (CGU's). We challenged management's key assumptions used in the cash flow forecasts included within the impairment model. We challenged specifically future revenues, EBITDA ratios and capital expenditures. We tested the mathematical accuracy of cash flow models, and assessed relevant data to historical financial data, future budget approved by management and other obtainable market information such as relevant benchmarks for growth estimates. We evaluated the discount rate used by management by comparing its composition to empirical data for future interest rates, relevant risk premium and debt ratio. Key assumptions used were benchmarked against external data and our own internal data. We found the applied discount rate to be within a range of reasonable outcomes. We performed sensitivity analysis on key assumptions in the impairment assessment and found the impairment assessment to be sensitive to changes in WACC, further revenues and EBITDA ratios. We reconciled the sensitivity analysis to the disclosure in the notes. Finally, we considered the adequacy of financial statements disclosures in note 3 and note 17 and found them appropriate.

pwc

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report - Fiven ASA

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 23 March 2021
PricewaterhouseCoopers AS

Anders Ellefsen
State Authorised Public Accountant (Norway)

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